CLEAN RULES AND DIRTY CLOTHES: INSTITUTIONAL APPROACH TO ETHICS IN FASHION AND APPAREL RETAIL

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Abstract

Poor working conditions and slave labor are some of the practices that when found among organizations leave us all perplexed. When comparing two big infamous disasters in fashion and apparel industrial history, Manhattan company’s Triangle Shirtwaist factory fire in 1911 and the Rana Plaza building Collapse in Bangladesh in 2013, we can find at least two dismal similarities. Firstly, in both cases workers were in resembling disadvantageous position, subject to long working hours, being paid the very least, along multitudes of colleagues that were mainly women, single or widows, teenagers, migrants and immigrants. Secondly, focal companies avoided responsibility for the tragedies. In the 102 years and many continents that separate the two disasters, we can see the rise of norms, regulations and institutional mechanisms to prevent such situations and provide better working conditions for workers. However, for consumers looking for clothes better sourced as much as for workers fleeing sweatshops, it is somehow frustrating to see the same practices and social norms lingering around the fashion and apparel industry for decades, in many different shades in each country. Are there any outliers who work for the eradication of slavery and the building of stronger relationship with their workers and suppliers in this industry? The aim of this paper is to present an analysis of new practices and innovations in fashion and apparel retail firms in terms of institutional change. Through a multi-case study, evidences are offered regarding the emergence of here called “ethical retailers” and the main characteristics that set them apart from traditional fast fashion firms that dominate the industry. The theoretical approach relies in institutional economics, with reference to Lachmannian analysis.

1 Introduction

Over the past few years, companies have been increasingly questioned over social and environmental impacts of not only their own strategies and operations, but also of their suppliers performance in these aspects (Seuring, Mueller, 2008). This is particularly true for focal companies, those who have either greater influence power over their supply chain, direct contact with their consumers, are responsible for the design of the product or service being offered or all of the above (Preuss, 2001; Graafland, 2002). Stakeholders in general, non-governmental organizations (NGOs)
in particular, are increasing the pressure over companies concerning their environmental and social responsibilities (Kovács, 2004).

As a result of these growing pressures, along with the threat of being caught in the middle of scandals or becoming responsible for big environmental or social disasters, companies have found the right motivation for improving their environmental and social performance (Snir, 2001). Reputation and brand image are important factors to influence changes in firms decision taking towards a more sustainable way. And since it occupies a primary position in the beginning of the firm's material flow, purchasing is particularly able to contribute for the firm's global sustainability (Schneider & Wallenburg, 2012).

Notwithstanding these considerations, Hoejmose & Adrien-Kirby (2012, p. 240) suggest there is more to implementing sustainable purchasing than a “direct response to stakeholder pressure” concerning firm’s performance in social and environmental dimensions. In their literature review, they screen existing developments in this field and call attention for researchers to consider not only the responsive approach to implementing sustainable purchasing, but also look into internal drivers, such as “political processes and available resources within the organization” (Hoejmose & Adrien-Kirby, 2012, p. 240).

This complex side to sustainable purchasing management that hasn't been thoroughly studied was the starting point for the present study. The industry chosen for empirical data was fashion and apparel retail, which has championed news over decades concerning scandals and cases of precarious labor and contemporary slavery conditions. With the rise of fast fashion, a considerable number of firms have been caught in these situations and now face an increasing stakeholder pressure towards more sustainable supply chain practices.

Meanwhile, on the other side of the spectrum, a growing group of retailers sheds light on this old industry’s dim picture. Companies that openly declare their philosophy and how it effectively impacts the business they conduct are gaining territory in fashion and apparel retail markets. In full disclosure, they give faces to the manufacturing process of the products they sell and promote a marketplace for ethical fashion. These retailers have chosen to work differently in the industry and are basing the choice of the products they sell on concepts such as fair trade, people first, living wages, handmade and small scale production.
The research questions addressed in this paper are the following: Are “ethical retailers” different from traditional and fast fashion retailers in terms of institutional change? What are the different levels of social analysis in socially responsible practices, in terms of institutional change? Therefore, the aim of this paper is to present an analysis of new practices and innovations in fashion and apparel retail firms and analyze them in terms of institutional change. Through a multi-case study, evidences are offered regarding the emergence of here called “ethical retailers”.

At first we present their main characteristics and we then compare to the characteristics seen in Bastos & Fouto (forthcoming paper) from traditional and fast fashion paradigm, to identify what sets them apart from the rest of the industry. And on the observations here presented we apply the analytical framework proposed in Bastos & Fouto (forthcoming paper), to analyze the components of institutional change. From these observations, we propose a definition of ethical fashion and apparel retailers, and we gather new insights regarding the relationship between internal components of our theoretical proposition.

2 Theoretical Approach

According to Hodgson (2006, p. 18): “Institutions are systems of established and embedded social rules that structure social interactions”. This definition comprises the idea of institutions as the tissue in which social life is sewn. Embeddedness follows Veblen's reasoning, that once the habits of thought are shared between people as the common ground of the rules, they are embedded, which provides workability for the institutions.

When Hodgson (2006, p. 2) presents institutions as the structure “in terms of overt or implicit rules” that make up human activity and interaction, he carefully calls attention to the ambiguity problem of calling institutions as formal and informal rules. Firstly, he argues that these terms lack precision and may lead to confusion, and defends terms such as legal, nonlegal, social conventions, norms of behavior or even explicit and implicit rules. Secondly, he reasons that formal or legal rules “always depend on nonlegal rules and inexplicit norms in order to operate”, so to view them as structure or a connected tissue is a much more faithful depiction of reality (Hodgson, 2006, p. 18). Thus, we
follow Hodgson's understanding that the enforcement characteristics of institutions are influenced by the relationship between formal and informal rules as well.

Thorstein Veblen's reasoning consists of institutions molding behavior, which differs in pace and direction depending on the incentive system, ergo, the institutional framework (Rutherford, 1995). North complements this line of thought by adding the cost perspective, in the context of business institutions, and he argues that “deliberate institutional change will come about therefore as a result of the demands of entrepreneurs in the context of the perceived costs of altering the institutional framework at various margins” (North, 1993, p.5). This is an interesting addition, in a way that provides micro foundations for the old institutional economics view. North also sets an example that applies to the context of precarious labor conditions:

> The kinds of skills and knowledge that will pay off will be a function of the incentive structure inherent in the institutional matrix. If the highest rates of return in a society are to be made from piracy, then organizations will invest in knowledge and skills that will make them better pirates; if organizations realize the highest payoffs by increasing productivity then they will invest in skills and knowledge to achieve that objective. (North, 1993, p.3).

Interestingly, this is a faithful depiction of the reality of precarious employment: given the institutional framework, it pays off to keep unethical employment practices. This sums up the contribution of institutional framework to identifying the problem of precarious labor condition. Once that is established, how can the picture change? By means of institutional change.

Ludwig Lachmann has developed an interesting contribution to the study of institutional change, specifically in the context of transitional economies. In the following excerpt, he introduces the question of the dual capacity that institutions need to have, in order to operate in market economies:

> “If institutions are to remove uncertainty, they must be permanent. But if they are to be shaped by market forces they must be flexible. How, within the institutional order of modern market society, is this problem resolved?” (Lachmann, 1994, p.50).

This dynamic characteristic of institutions in Lachmann’s reasoning is highlighted by Dulbecco (2000, p. 9) in the following excerpt: “its main purpose consists in drawing the conditions for the attainment of both coherence and permanence of the institutional order, that is to deal with the accurate issue of complementarity”. According to Dulbecco (2000, p. 10), the path to this complementarity involves using designed institutions (or formal rules) aiming at “integrating
change without altering the institutional structure as a whole”. This logic can be applied to the context of changing paradigms in fashion and apparel retail, considering the emergence of ethical practices simultaneously as there is a consistency in traditional and fast fashion practices among producers, retailers and consumers. Institutional change analysis, in this context, must consider a dynamic and continuous process of change, instead of a disruptive sequence of emergence of new institutions.

Institutional economics theory provides a foundation for the analysis of the changes caused by the option that companies are taking towards Corporate Social Responsibility and Sustainability. Institutions change over time, they are not uniformly recognized, they have unique effects, and are strongly challenged (Dacin, Goodstein, Scott, 2002). Therefore, how does change takes shape, if the process of institutional change seems to be so uncertain, voluble, and dynamic? North (1994) argues that this happens through the creation of executable rules, increasing environmental governance and considering learning as a key aspect, occurring in the individuals or entrepreneurs inside organizations.

2.1 Analytical Proposition

Our analytical framework comprises a combination of theoretical backgrounds presented in Bastos & Fouto (forthcoming paper). At first, they use business ethics and social responsibility reasoning applied to the context of fashion and apparel retail, in order to define the starting and finishing point in the framework. Then, they combine institutional economic theory to contributions from sustainable supply chain management, seeking to assimilate the process of institutional change to the development of social responsibility practices that connects the starting and finishing points in the framework, which is shown in Figure 1 below.

Figure 1: An integrative analytical framework for ethical fashion and apparel retail
The underlying concept that grounds this integrative analytical framework displayed above is the following theoretical proposition:

\[ P1: \text{The move from precarious labor conditions to socially responsible conditions for employment in fashion and apparel retail is a process of institutional change.} \]

The perspective used in this study considers socially responsible a firm that meets its “core economic responsibility”, as well as comply with existing labor laws, but go voluntarily the extra mile, beyond legal minimums, to build a lasting relationship with suppliers (Calabretta et. al., 2011, p. 1433; Solomon & Rabolt, 2004). This is a desirable goal for both the focal company and the suppliers, because by adding ethical concerns in all firm's activities, and considering the impacts its actions have on stakeholders, the firm can better meet stakeholder's expectations (Calabretta et. al., 2011) and also gain strategic results, being it reputational, in marketing or innovation (Maignan et al., 2002).

In order to identify differences between ruling paradigms in fashion and apparel retail and the characteristics of emerging ethical retailers, Bastos & Fouto (forthcoming paper) compiled the key characteristics concerning modern paradigms, thus orienting analysis in this paper. This compilation is shown in Table 1 below, and helps orientating the analysis of institutional change we propose in this paper.

<table>
<thead>
<tr>
<th>Traditional</th>
<th>Fast fashion</th>
</tr>
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<tbody>
<tr>
<td>Supply driven</td>
<td>Consumer driven</td>
</tr>
<tr>
<td>Longer lead times</td>
<td>Shorter lead times</td>
</tr>
<tr>
<td>Large standardized productions runs</td>
<td>Shorter production runs</td>
</tr>
<tr>
<td>Pressure on retailers (large inventories)</td>
<td>Increasing pressure on suppliers (shorter lead times)</td>
</tr>
<tr>
<td>Manufacturer power</td>
<td>Retailer power</td>
</tr>
<tr>
<td>Outsourcing and increasing separation of activities</td>
<td>Elimination of stages in the supply chain</td>
</tr>
</tbody>
</table>
According to Whysall (2008), there is no straightforward answer to what consists an ethical retailer. However, based on the discussion presented in Bastos & Fouto (forthcoming paper), we can infer that ethical retailers are firms who have socially responsible concerns considered in their operation. Carrol (1983, p. 604) proposition matches this line of thought, as shown in the following quote: “In my view, CSR involves the conduct of a business so that it is economically profitable, law abiding, ethical and socially supportive”. Merging this definition with the one presented previously, we propose a definition: an ethical retailer is a profitable firm that complies with the law and goes beyond legal minimums, in order to build a lasting relationship with its suppliers.

3 Method

While choosing the methodological approach, three key challenges were recognized for collecting and measuring data concerning labor rights and working conditions in practice (de facto), according to Berliner et. al. (2015, p. 198): 1) difficult access to data on supply-chain factories, usually located in different countries than those of focal companies; 2) general political hostility to answering inquiries regarding labor conditions, which also leads to poor access to data; 3) different institutional frameworks regarding the places in which focal companies and manufacturing companies are.

On that note, Ménard (2001) suggests researchers to develop new case studies to explore better definitions and details that can contribute to theory building in institutional economics, even though case studies have long been neglected by economists. These considerations can be added to the position defended by Lee Alston, regarding methodological considerations in institutional economics theory building, as shown in the excerpt below.

I advocate the use of case studies because it allows the analyst the ability to isolate the impact of a theoretical concept in a more detailed and potentially more compelling manner. Case studies are
especially important for new institutional economics (NIE) because they enable us to analyze both the determinants and consequences of institutions and institutional change. (Alston, 2008, p. 103).

Based on these recommendations, we opted for a qualitative approach, in order to shed some light in the contemporary phenomenon (Yin, 2010) that is the recent emergence of ethical retailers in fashion and apparel retail industry. Since one of the goals of this paper is to develop a better understanding of the theoretical proposition that was presented in Bastos & Fouto (forthcoming paper), the method chosen was a multi-case study, which we will further explain on the next section.

3.1 Multi-case study

The method chosen was a qualitative exploratory multi-case study, following Yin's (2010) recommendation for theory building in stages of assessing questions, propositions and feasibility of research alternatives in the context of contemporary phenomenons in real-life contexts. In order to study the differences between here called ethical retailers and traditional and fashion retailers, we will adopt the literature contributions on the latter, as presented on Bastos & Fouto (forthcoming paper), and we have selected a group of firms that are self-proclaimed ethical in their actions, representing the ethical retailers. Based on the empirical contributions, contrasted with literature findings, we later seek to elaborate propositions on the process of institutional change dividing both groups of firms.

Ethical retail firms were firstly chosen by convenience and easy access to respondents, both physical and online, and secondly chosen because of search websites and social media searches regarding the topic “ethical fashion”. Evidences were collected from a group of 15 firms and, as shown in Table 2 below, it consists of a very diverse group.

Based on the empirical evidences, fashion and apparel retail firms in this group were divided by three types of organizational arrangements: a) manufacturing firms, which own the brand, produce parts or all of the production stages and sell their own clothes, but can also sell them through independent firms, b) brand firms, which own the brand but outsource the manufacturing steps, c) independent firms, which don't have an own brand and only sell products by other firms. This information was underlined inside the second column, in Table 2 below. We have also referred to
independent firms as stockists, a name that we encountered during our collection of evidences, but are also physical shops of independent retail firms that sell brand firms' fashion and apparel products. All three types of firms may be physical, online or both, which is also indicated on the second column.

Except for the Parisian own brand “My Philosophy” and the Londoner independent stockist “69b”, all firms have a website with an option for consumers to buy online their products, even if they are brand firms that sell their products in stockists. There are large and small firms in the group, pioneers with more than 25 years of operations and recent firms with a little over 2 years.

Table 2 also shows that different techniques for collection of evidences were used for each company. Firms with physical shops (firms 1, 2, 6, 7, 8, 9 and 10) were visited by the author between February 11th 2016 and March 9th 2016 in London, Paris and Bordeaux. After the visits with semi-structured interviews and direct observation, the author further contacted these 7 firms and a dozen more firms operating online shops and 3 more responded to an online interview (firms 3, 4 and 5). This comprises the first 10 firms displayed in Table 2. To gather specific social media content provided in Instagram platform, an individual account was created to monitor information of over 70 fashion and apparel firms, from which the last 5 firms were chosen. The criteria were: participation in social media (which meant access to fresh new evidences) and relevance to the observed phenomenon. From this group, firms with online shops and social media content were systematically visited between February 2016 and January 2017. Since a large amount of information was gathered through social media and websites, considerable evidences were collected for additional insights, which justified the choice of these 5 last firms (firms 11, 12 ,13 ,14 and 15).

<table>
<thead>
<tr>
<th>Retail Firm</th>
<th>Type of Retail Operation</th>
<th>Collection Technique</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 EKYOG</td>
<td>Brand firm*, 30 physical own brand shops in France, own brand online shop</td>
<td>Direct Observation, physical and online interview, website and social media</td>
</tr>
<tr>
<td>2 Here Today Here Tomorrow</td>
<td>Brand and manufacturing firm*, 1 physical own brand shop in UK, own brand online shop, 9 stockists in UK, Germany and Switzerland</td>
<td>Direct Observation, physical and online interview, website and social media</td>
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<tr>
<td></td>
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<td>-----------------------------</td>
<td>------------------------------------------------------</td>
</tr>
<tr>
<td>3</td>
<td>Catching a Fish in Norway</td>
<td><strong>Brand firm</strong>, own brand online shop, stockists worldwide</td>
</tr>
<tr>
<td>4</td>
<td>Silverstick</td>
<td><strong>Brand firm</strong>*, own brand online shop, independent online shops</td>
</tr>
<tr>
<td>5</td>
<td>Woron</td>
<td><strong>Brand firm</strong>, own brand online shop, independent online shops</td>
</tr>
<tr>
<td>6</td>
<td>My Philosophy</td>
<td><strong>Brand and manufacturing firm</strong>*, one physical own brand shop in France, one stockist in Japan</td>
</tr>
<tr>
<td>7</td>
<td>69b</td>
<td><strong>Independent firm</strong>, physical stockist</td>
</tr>
<tr>
<td>8</td>
<td>The Keep Boutique</td>
<td><strong>Independent firm</strong>, online and physical stockist in UK</td>
</tr>
<tr>
<td>9</td>
<td>The Third Estate</td>
<td><strong>Independent firm</strong>, online and physical stockist in UK</td>
</tr>
<tr>
<td>10</td>
<td>Un été en automne</td>
<td><strong>Brand firm</strong>*, 1 physical own brand shop in France, own brand online shop</td>
</tr>
<tr>
<td>11</td>
<td>Everlane</td>
<td><strong>Brand firm</strong>, own brand online shop</td>
</tr>
<tr>
<td>12</td>
<td>Gather&amp;See</td>
<td><strong>Independent firm</strong>, online stockist</td>
</tr>
<tr>
<td>13</td>
<td>Matt&amp;Nat</td>
<td><strong>Brand firm</strong>, own brand online shop, online and physical stockists in Canada, United States, UK, Japan, Germany and Australia</td>
</tr>
<tr>
<td>14</td>
<td>People Tree</td>
<td><strong>Brand firm</strong>, own brand online shop, stockists in UK, Europe and United States</td>
</tr>
<tr>
<td>15</td>
<td>Serengetee</td>
<td><strong>Brand firm</strong>, own brand online shop</td>
</tr>
</tbody>
</table>

*These firms sell a majority of own brand products and a minority of other firm's products (usually accessories).

With the rise of social media platforms over the last years, content sharing has been constantly evolving and gaining new facets, as technology enhances and customs change. That is the case of Instagram, a mobile application and an online community with more than 500 million users who connect with each other and share content through images and videos (Instagram, 2016).
In 2016 Instagram users had two main ways to share public content: 2) users could use images and videos taken previously or simultaneously as they posted it to their accounts, which would stay in their profiles until the user decided to delete them, b) users could share images and videos of current events through a feature called “Instagram Stories”, which would be available in the user's profile for 24 hours and later deleted automatically. This feature was first seen on another mobile application, Snapchat, and introduced a new behavior among users. This ephemeral feature allowed users to show what was happening with them at the particular time they were using the mobile application, and since the content would be soon deleted, some users shared more content than they would normally share if it was to be permanently available on their Instagram account profiles.

Bayer et. al. (2016) present surveys and in-depth results of users comparing this simultaneous sharing feature of Snapchat to “face-to-face interaction”, and these users reported a tendency to follow more simultaneous content then archived content. According to Anderson (2015, p. 7), “these stories provide a raw, unedited first person experience” which is an interesting online feature for special events such as trips and parties, but also provides a “reality TV” like experience, in which you are the editor of your “a day in the life” program.

Because of this feature, Instagram Stories, along with regular Instagram images and videos, provided an unique source of evidence for direct observation. For researchers, this is an important feature, since it allows direct observation without risks of influencing the subjects of study. As an example, through this feature the author researcher could witness a Serengetee (firm 15) representative communicating with their customers during weekly sessions of questions & answers without being physically present. Other brands documented their visits to new and recurrent suppliers through this feature, providing an ambient for customers to meet the maker of their products.

Table 3 below shows a comparison between the country of firm's foundation and the main sourcing countries, for both fabrics and the assembly stage, for fashion and apparel products. The group we gathered in this paper is 60% made of British firms and this reflects globally the importance of the United Kingdom in the emergence of ethical retailers.

Table 3: Main countries and sourcing regions 5 case study firms operate
The search website Google has an option called “Google Trends”, in which you can monitor global and local interests regarding specific topics over time that were searched through a Google platform (web search, image search, news search, Google shopping and Youtube). If you make an inquiry on the term “ethical fashion”, and filter by region, it will show comparative results, with values on a scale from 0 to 100, “where 100 is the location with the most popularity as a fraction of total searches in that location, and a value of 0 indicates a location where the term was less than 1% as popular as the peak” (Google Trends, 2017). The only country that showed in our search was the United Kingdom, meaning that the google searches in that country reached the peak in contrast with the rest of the world.

<table>
<thead>
<tr>
<th>#</th>
<th>Retail Firm</th>
<th>Originally from</th>
<th>Main sourcing countries</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>EKYOG</td>
<td>France</td>
<td>Bulgaria, Cambodia, China, France, India, Madagascar, Portugal, Turkey.</td>
</tr>
<tr>
<td>2</td>
<td>Here Today Here Tomorrow</td>
<td>United Kingdom</td>
<td>Nepal.</td>
</tr>
<tr>
<td>3</td>
<td>Catching a Fish in Norway</td>
<td>United Kingdom</td>
<td>India, United Kingdom.</td>
</tr>
<tr>
<td>4</td>
<td>Silverstick</td>
<td>United Kingdom</td>
<td>Portugal, Turkey, United Kingdom.</td>
</tr>
<tr>
<td>5</td>
<td>Woron</td>
<td>Scandinavia</td>
<td>Hungary, Portugal.</td>
</tr>
<tr>
<td>6</td>
<td>My Philosophy</td>
<td>France</td>
<td>Cambodia.</td>
</tr>
<tr>
<td>7</td>
<td>69b</td>
<td>United Kingdom</td>
<td>Independent retailer.*</td>
</tr>
<tr>
<td>8</td>
<td>The Keep Boutique</td>
<td>United Kingdom</td>
<td>Independent retailer.*</td>
</tr>
<tr>
<td>9</td>
<td>The Third Estate</td>
<td>United Kingdom</td>
<td>Independent retailer.*</td>
</tr>
<tr>
<td>10</td>
<td>Un été en automne</td>
<td>France</td>
<td>India, Morocco, Peru.</td>
</tr>
<tr>
<td>11</td>
<td>Everlane</td>
<td>United States</td>
<td>China, Italy, Peru, Scotland, Spain, United States, Vietnam.</td>
</tr>
<tr>
<td>12</td>
<td>Gather&amp;See</td>
<td>United Kingdom</td>
<td>Independent retailer.*</td>
</tr>
<tr>
<td>13</td>
<td>Matt &amp; Nat</td>
<td>Canada</td>
<td>China.</td>
</tr>
<tr>
<td>14</td>
<td>People Tree</td>
<td>United Kingdom</td>
<td>Bangladesh, India, Kenya, Nepal.</td>
</tr>
<tr>
<td>15</td>
<td>Serengetee</td>
<td>United States</td>
<td>Over 25 countries.</td>
</tr>
</tbody>
</table>

*These firms carry a variety of brands, some of which are also included in this table.
We made a new inquiry, now comparing the term “ethical fashion” with “fast fashion” and the results for the interest in these topics between 2012 and 2017 are shown in Figure 2 below. This graphic entails the difference in magnitude of popularity between both search topics. The highest point in this graphic occurs in the period of 16-22 of March 2014, for the term “fast fashion”, and that is the point of comparison for the rest of the period. On average, “fast fashion” search queries were 49% of that peak, whereas the average for “ethical fashion” was 14%. The main countries that appeared on the search term “fast fashion” were Brazil, Germany, United Kingdom and United States.

![Figure 2: Interests in search topics over Google platforms.](source: Google Trends (2017).)

4 Empirical results

The analytical framework proposed in this paper considers there are a few social responsibility practices that distinguish unethical from ethical retailers, such as social responsible sourcing and curatorship, stakeholder engagement and forms of public enforcement. From the firms gathered in this group we could identify some similarities and regularities among them regarding these themes, as seen below.

4.1 Origins of ethical retailers

This group of firms is very diverse, concerning the type and size of operation and also the assortment of products being offered. Interestingly, some of these firms were founded by inexperienced people in fashion and apparel industry, which were somehow drawn to the ethical way of operating a retail firm. Except for People Tree and Matt & Nat, the pioneers in this group, 13 firms were founded after the year 2000, with 8 founded after 2010.
EKYOG was founded in 2004 by the French couple Nathalie and Luis-Marie Vautier. She was working with an outdoor brand and he was in telecommunications, but they were motivated to become entrepreneurs and find new industrial processes to offer ethical products, a gap they noticed at fashion markets at that time.

Here today Here Tomorrow was founded in London by a group of three designers in 2011, and according to their website, they are “dedicated to beautiful handmade design paired with ethical and ecologically conscious fashion”. Anna-Maria Hesse is a fashion designer and a teacher in two universities in London, Bucks New University and University of West London. Julia Crew is a designer and a course leader of BA Fashion Accessory Design at Ravensbourne College, also in London. Katelyn Toth-Fejel is an artist, designer, a lecturer and PhD student of the Centre for Sustainable Fashion at the University of the Arts London.

Catching A Fish In Norway was founded in 2014 in the United Kingdom by a then law student and artist Paul Donati. Their motivation was to be an innovative artist collective and change the fashion and apparel industry, towards valuing in the same measure people, the environment, creativity and profit, according to their website.

Silverstick was founded in 2010 in the United Kingdom by Harry Ludlow Green and Sam Varney. They had accumulated experiences from backpacking trips around the world and wanted to mix sustainability with design for outdoor activities.

Woron was founded in 2015 by the sisters Anya and Arina Woron in Copenhagen, both with backgrounds in the fashion and beauty industry. They were motivated to contribute with their own ideas to the fashion world, and they believed that their share was to develop a lingerie brand that was comfortable, but also vegan, cruelty free and sustainable.

My Philosophy was founded in Paris in 2007 by designer Kroesusna Khaou and her business partner Frédéric Hascoët. The designer, who was originally from Cambodia, after traveling there, was
shocked by the extreme poverty of her country of origin. Since then she developed a brand of ethical and artisanal fashion and apparel, honoring Cambodian know-how in clothing.

69b opened in London in 2011, founded by British stylist Merryn Leslie, who had an ample and diverse background, from working in fashion magazines to stylist for famous fashion designers and musicians. Her store started as a place to showcase her own small collection, but she soon switched ways and decided to retail independently for ethical brands she selected carefully. She was motivated to work with sustainable and ethical fashion after taking a course at the Center of Sustainable Fashion of the London Fashion School.

The Keep Boutique was founded in 2012 by British Kate Richards, former secondary school teacher and management consultant. Although she had no experience in the industry, she was moved by the frustration towards the quality of the clothes in her wardrobe, and motivated by an exhibition promoted by the Ethical Fashion Forum (explained on the next section). According to the website, the vision of The Keep Boutique is to be a “one-stop shop offering a curated selection of the most stylish, yet affordable, ethical fashion”.

The Third Estate is the result of collaboration between the friends James and Angela, from Leeds, United Kingdom. He used to run a punk rock record shop, already selling vegan footwear, and Angela had a small ethical trade label, but in 2008 they joined forces, adopting the name The Third Estate, and in 2012 they relocated to London. According to their website, their aim is “to sell well-made good-looking products which are free from any animal ingredients and which meet high social, labour and environmental standards”.

Un été en automne was founded in 2009 by Marie Schlumberger, a student of highly appraised Chardon-Savard's atelier, with a focus on ethical “prêt-à-porter” (ready to wear) women's clothing. At that time, she joined a national business incubator, which helped her launching her brand. In 2012 she began selling her own clothing line on a physical store, and now produces two collections of clothes per year and a full range of handbags.
Everlane was founded in 2010, by American 25-year-old Michael Preysman, who then worked in venture capital, even though he had no experience in fashion. According to their website, his initial motivation was a “frustration with the lack of motivation in the retail space” and since the beginning Everlane is committed to transparency, opening up about the costs of producing the products, their markups, the production timeline, and documenting visits to their factories.

Gather&See was founded in 2014 by the British friends Alicia Taylor and Stephanie Hogg who were in search of “beautiful, stylish ethical fashion brands that protect people and planet and don’t compromise on style”, according to their website. They described themselves as fashion lovers who, after a life consuming clothing products, started to question production processes and became more conscious consumers. Thus, they built a platform for other ethical consumers to find their fashion and apparel products, which were selected for retail based on five aspects of ethical practices.

Matt & Nat was founded in 1995 by Inder Bedi, who is originally from India but was at the time living and studying in Montreal. While he was trying to become a vegan at that time, he realized how this decision had led to a limited lifestyle. From that point, he saw an opportunity and founded Matt & Nat based on vegan principles of respect to life.

People Tree was founded by British Safia Minney, who was initially living in Japan and actually had experience in marketing and publishing, before she adventured into fair trade collections. She started in 1989 producing informational pamphlets about environmental awareness for conscious consumers, which later became an NGO and by 1995 a firm called Fair Trade Company, with a shop in a fashion district in Tokyo. Their first fashion collection was in 1997.

Serengetee was founded in 2012 by Jeff Steitz and Ryan Westberg, two college students in the United States, after they have gathered international experiences and encountered different cultures and realities. With no experience in the fashion and apparel industry, they started manufacturing by themselves the first products before they created an appropriate infrastructure. Their motivations, according to their website, were to support artisans and causes worldwide, as seen in the following
excerpt: “we wanted to find a way to use these fabrics to make positive change in the world; we wanted to become the first brand centered around fabric”.

4.2 Socially responsible sourcing

Firms in this group have varied standards for sourcing, but a common practice is the use of international, national or sectorial certifications. A Woron representative highlights the importance of using certification in building a relationship with its suppliers: “because we have such a great focus on sustainability we only partner up with suppliers that share the same values; such as being Oeko-Tex certified and member of the European Network Association, we check the wages, working standards and of course the general approach to a sustainable production throughout the supply chain regarding what materials are being used, how to deal with wastage etc.”.

According to Matt & Nat's website, they use the SA8000 standard certification as a criteria for quality in the relationship with suppliers' factories. A Catching a Fish in Norway representative affirms they use as a minimum the certification from Fair Wear Foundation, along with other certifications such as Made in England, Fair Trade and Organic.

People Tree's commitment to their ethical values is shown by the importance they give to fair trade certification. On their website, they defend their position: “we follow the principles of Fair Trade in every aspect of our business. All of our products are made by artisans and producers who work to Fair Trade standards. People Tree has been a pilot case for certification for Fair Trade Manufacture under the World Fair Trade Organization and we were the world’s first clothing company to receive the World Fair Trade Organization Fair Trade product mark in 2013”.

The Ethical Fashion Forum (2016) is an industry lead not-for-profit organization that aims at providing solutions to fashion and apparel firms regarding ethical issues they face. According to them, there are 42 key ethical certifications and memberships, out of which 23 are related to the environment (like the JOCA – Japan Organic Cotton Association), 11 are related to labor or social concerns (like WRAP – Worlwide Responsible Accredited Production) and 8 relate to both sides of sustainability (like Naturtextile). These accreditations are an example of private ex ante enforcement in place in fashion and apparel retail.
4.3 Alternatives to certification in sourcing

A Woron representative contributed with an interesting empirical discovery: “At first we were quite focused on certifications etc. but we soon found out, that a lot of the smaller production facilities work by higher standards than what is required from the general certifications, but they are just not able to pay the cost of getting the certification in writing”. In complement, a representative from Here Today Here Tomorrow also contributed in this way, as seen on the following excerpt: “our suppliers must either have accredited fair trade or living wage working conditions or in the case of very small organizations where this would be impractical, they must have regular direct contact with the producers or manufacturers themselves and feel confident that similar conditions to fair trade are being met”.

Un été en automne affirms on their website that they look for respect for fair trade norms in the workshops they work with, which means that “employees benefit from decent working conditions, with fair compensation”. An EKYOG representative said that the firm has thorough supplier selection criteria, and on the first time the firm establishes a relationship with a supplier, he “must complete a document and sign an ethical charter”. As another alternative to certification only, some of the firms in this group have exposed either their founders or their employees to different levels of training, in order to enable them to identify and prevent unethical labor conditions in its supply chain.

4.4 Relationship building with suppliers

According to Serengetee, they source fabric from over 25 countries, but hold a factory in Los Angeles, United States, where all fashion and apparel products are handmade and they can ensure good employment conditions. Matt & Nat declare on their website that their bags are produced in chines factories they've built “long-standing relationships with”, and argue that they monitor closely the operations of their suppliers’ factories, by “visiting diligently each factory and building strong personal relationships with their owners”.

My Philosophy's statements demonstrate responsibility throughout their subcontracting factory workers, offering to their workers in Cambodia labor conditions that are hardly found even in
developed countries. On My Philosophy's website they affirm the following: “we pay our employees significantly above local market prices. Overtime is paid or recovered. Productivity bonuses are paid to reward periods of high activity. Workers have 5 weeks of annual leave. A roof is offered to employees who wish”. They also offer help to cover medical expenses in case of accidents of illnesses.

Other than the firms above mentioned, Silverstick, Woron, EKYOG, Here Today Here Tomorrow, Everlane and People Tree affirm they all visit their suppliers periodically. Most of the firms in this group also rely on third party certifications to ensure good working conditions apply to their suppliers. This is demonstrated in the following excerpt from a representative from catching a Fish in Norway: “our suppliers release annual social and environmental reports, accredited by the organizations who accredit us, e.g. International Labor Organization”.

### 4.5 Longer lead times, shorter production runs and addition of stages

We identified in all firms in this group a growing trend of longer lead times and also short and more personalized production runs. Some implicitly, by announcing fewer times new collections and replenishment of basic collections throughout the year, in comparison with what has been presented about fast fashion in Bastos & Fouto (forthcoming paper), and other explicitly, as follows. People Tree highlights on their website the great amount of effort and labor that goes into a handmade apparel product. Their design-to-sales process is closer to the traditional paradigm than the fast fashion paradigm timeline, according to Table 1. People Tree’s timeline takes more than a year before their products are made available to customers, a period with more than four months of difference to contemporary retailers operating under fast fashion paradigm. They argue that this additional time gives producers better chances for meeting their production goals and offering fair wages for their “highly skilled labor”.

Everlane, however, affirms on their website that they work with the same factories that produce clothes for known design labels, but they go further, visiting them often and building a lasting relationship, as mentioned previously in section 4.3. And they passed the time pressure from their suppliers to their design team, which “works in rapid iteration, quickly executing from idea to final sample, launching to market in less than six months”.

Firms have reinstated stages that weren't a part of the fast fashion paradigm anymore, as shown in the following excerpt from a Silverstick representative: “our factories are audited for health, safety and ethical standards. We audit the smaller factories ourselves through questionnaires and site visits. The bigger ones are independently audited by licensed organizations. If any problems arise during the audit we put a plan together to solve the issues”. Other than visiting factories, either for monitoring, auditing or strengthening the relationship, firms are also readdressing the stage for quality management. According to Matt & Nat's website, they say that “each season, several quality control tests are performed on all new styles”.

4.6 Socially responsible curatorship

The five independent retailers in this group have each an individual style, with very different ways of displaying their products, as well as with different assortment strategies, indicating that “ethical retailers” are not a homogenous segment of fashion and apparel retail.

A physical Londoner independent store, 69b is a small two stories shop, both with decoration and products arranged in a clean and minimalist manner, with different brands mixed together. There are no signs or visual communication outside the store, just clean windows and white decoration. But when asked about the products, the saleswoman responds about the ethical values of the firm and ethical characteristics of the products being sold. Most of the products display on themselves big labels explaining the ethical characteristics of the production process (ex.: no sweatshop, vegan, recycled materials, etc.).

As an example, Figure 3 shows a shirt from the brand People Tree, for sale inside the store 69b. The product has three informational labels from the brand and one from the store. On the largest label, a piece of storytelling connects the brand with its consumers, a modern marketing technique very common amongst ethical fashion and apparel products, according to our empirical observations. A part of the text contained in the big label is shown in the following excerpt:

This garment is hand made in a beautiful village in Bangladesh by Swallows. Traditional skills including hand weaving and hand embroidery craft skills are used to make this unique product. Swallows works closely with People Tree who provide design, technical and financial support to this amazing project supporting 200 women. Profits also support the running costs of a school for 300 children and a day-care centre for 60 babies and toddlers. (People Tree label).
Another physical Londoner independent store, The Third Estate, moves in the opposite direction, regarding the store theme altogether. Nothing is clean looking or minimalist in this decoration. With many vases decorating the window displays and the interior of the much larger store, and a profusion of objects ranging from panels to recycled furniture, the store is decorated in a more alternative manner, which includes an artificial grass carpet. They also make use of recycled or reclaimed materials, with pallets all over their walls from which alternative shelves display vegan footwear for sale.

With a much larger assortment and piles of stocked footwear products, the store owner said they have a restricted space in the back of the store where artisans can manufacture products that can be showcased in their store. In specific parts of the store, featured artisans products are carefully curated and displayed, with signs detailing facts about the artisans or the products. They also sell products through their online shop.

Many of the decorating objects in display communicate the ethical values of the firm. Most of the firms have big explaining labels, as seen above in Figure 3, but for those brands that don't leave it clear in their own labels; the independent store makes an individual label, explaining the ethical characteristics of the fashion and apparel product in a simple way. This is shown in Figure 4 below.
The Keep Boutique is a somehow intermediate store, regarding interior decoration and display of products, when compared to the two above. Located inside Brixton Village Market, the store communicates upfront its ethical values, with the following words written on the window glasses: Organic, ethical, sustainable and “who made your clothes”, in reference to the global consumer movement asking for more transparency in fashion and apparel industry. A large assortment of products is displayed in racks made of recovered wood, with small niches with artisans products in special display. On their website, they affirm to be a store with “a curated selection of ethical fashion”, focusing on integrity of the brands and durability of the products when choosing with brands to carry.

The only online independent firm studied in this group, Gather&See chooses the brands that have at least three out of five values – fair trade, organic, eco-friendly, small scale production and heritage – which the consumer can use as filters to select which product to buy. So this is a way they communicate their ethical values towards their costumers, while curating their products. Their selection, according to their website, consists in “carefully curated collections from the very best in sustainable fashion talent from around the world”.

Own brand stores also have curated products in their stores, with similar practices from independent brand firms. Inside My Philosophy store, they have a reserved area where they showcase products from fellow artisans. The same was seen in Un été en automne's store and Here Today Here Tomorrow as well, with all firms showcasing products from artisans and even small manufacturers
other than their own brand products. A representative from the latter explains this practices of curatorship in this excerpt: “we are proud to showcase carefully selected brands in our shop, each of them chosen for their pioneering approaches to sustainable clothing, accessory and jewelry design”. EKYOG has a program called “Le Lab”, through which they choose a few fellow brands, friends, artisans and personalities to showcase their products and promote the makers, both on their online and physical shops.

All four brands above also make use of “big labels”, explaining either which certifications the manufacturing process observed, which ethical characteristics that product has, or also using a storytelling marketing technique. EKYOG stores (30 physical shops) and Un été en automne display in a corner of the store, usually near the fitting rooms, a collage with pictures, news and quotes relating to the brand's ethical characteristics.

4.7 Communication and stakeholder engagement

Most of the firms in this group that have an active social media account use the platform for means other than just promoting new products or advertising new sales. Some firms use their Instagram accounts to enhance their transparency towards their loyal consumers, followers and stakeholders in general. As explained earlier in section 4.3.1, Instagram Stories is a feature that allows users to upload videos or pictures which will be available for 24 hours and then automatically deleted.

Serengetee and Everlane both use this feature with frequency, hosting at least once a month a “transparency Tuesday” or a “Tuesday Q&A”, when they answer through Instagram Stories videos questions made by their followers regarding the firm's factories, operations, new collections, inspiration for products, and so on. Figure 5 below shows in the first two frames snapshots of Everlane's transparency Tuesday and the last frame has a snapshot of Ryan Westberg, co-founder of Serengetee, answering questions from the firm's warehouse, for the periodical Q&A with followers. These are novel opportunities for followers, which can be both customers and stakeholders, to interact with brands in real time, to get to know the “behind the scenes” experience of the products they are interested at, and find answers for whatever questions they might have on the brands products and actions.
Another firm from our sample is The Keep Boutique, which uses the Instagram account for promotion and advertising, but as well as communicating and engaging their customers with ethical characteristics of their brands. As an independent retailer, they carry products developed by other brands. In order to communicate about their ethical characteristics as a retailer, they highlight their efforts on curatorship, on carefully selecting which brands they choose to work with. They perform a thorough analysis of the brands they carry and later disclose about the ethical characteristics of their brands.

Figure 6 below shows three snapshots of the Instagram Stories from The Keep Boutique account. On the first one they promoted the brand firm Here Today Here Tomorrow, highlighting the ethical characteristics on the label. On the second one they shared the fact that a representative from The Keep Boutique is reading the social report of a brand they carry (Armed Angels) and evaluating their practices towards their supply chain (an interesting observation for an independent stockist). On the third snapshot they are emphasizing the positive social impacts for consumers of buying a particular handmade product they sell.
4.8 Community building

According to Here Today Here Tomorrow representatives, ethical sourcing is closely related to having a positive impact on the community they're acting. On an interview, they described it as sourcing practices “that provides a living wage and supports looks to create supportive, democratic and working conditions for workers. For example, [they] are very proud to work with artisans from the Association for Craft Producers (ACP) in Kathmandu. ACP is a not-for-profit fair trade organization certified by the World Fair Trade Organization (WFTO). They provide opportunities for low income, primarily female artisans in 15 different districts of Nepal. Each product in [Here Today Here Tomorrow's] collections is handmade and provides the artisan who made it with economic and social support.”

According to My Philosophy's website, they are committed to developing their communities by impacting their workers, as shown in the following excerpt: “at the end of a year of training, the workers of the workshop master all the production of models, from patronage to overcasting; they offer suggestions in the technical realization of the confections and adapt their know-how according to the materials used”. People Tree demonstrates the big impact they can have on suppliers and
For improving the communities of their workers, and promoting a more thoughtful consumption, Everlane established that every year the profits resulted from black Friday sales would go into an issue concerning one of the factories they work with. In 2014 they raised over $100,000 to build a basketball court and outdoor recreation area for their workers in a silk factory in Hangzhou, China. In 2015 the chosen factory was their t-shirt factory in Los Angeles, US. According to their Instagram account, they raised $110,650 for what they called a “new wellness program, offering free groceries, on-site health and vision care, and English classes for the factory employees” working there. In 2016 the chosen factory was the specialty knits factory in Ho Chi Minh, Vietnam, and with the profits they bought high quality helmets (scratch-resistant, anti-UC barrier, durable ABS-shell and so on) for all their 8,000 workers, since it is a Vietnamese custom to go to work by motorcycle.

4.9 Additional related concepts

According to EKYOG representatives, ethical sourcing is a combined concept that involves ethical fabric alternatives, regarding their origin and composition, a concern for improving social conditions and a well-developed environmental policy. According to Un été en automne's website, they work with noble materials and respect fair trade in all their collections, and their “clothes are made of cotton from organic farming, wool carbon free and [their] accessories are vegetable tanning leather”.

According to Here Today Here Tomorrow representatives, caring for the environment is crucial for their operations, and they believe that “ethical sourcing also means choosing materials with as little negative environmental impact as possible and supporting those suppliers looking to develop environmentally friendly practices, such as waste treatment, low impact dyes, organic or low chemical fibers and animal products which use farming practices that are as ecologically sound as possible”.

Most firms in this group correlate ethics in general, and social responsible work conditions in particular with other ethical concepts, such as caring for the environment, being sustainable, fair
trade, vegan, organic, and so on. Matt & Nat firm has chosen this name in reference to materials and nature, the basic values they carry, as well as with zero cruelty along their production. Furthermore, as shown in the previous section 4.8, firms also value activities that help and empower NGOs and communities where their stakeholders are. According to Serengetee's website, “by giving back 10% of our profits to a diverse range of grassroots causes, [they] work to improve lives in their communities.”

5 Discussion

The analytical framework presented in Bastos & Fouto (forthcoming paper) was proposed to study the process of changing a fashion and apparel retailer's labor conditions from precarious to socially responsible that was constructed with institutional economics reasoning. This latter entails different levels of interconnected social analysis in order to observe and better understand the process of institutional change. The analytical framework entails that introducing socially responsible sourcing and curatorship, along with stakeholder engagement and public enforcement, can all be understood as different levels of the process of institutional change, all interconnected and influencing the pace and direction of the adoption of socially responsible practices.

The empirical evidences here presented show that there is more to the implementation of socially responsible practices than codes of conduct. In fact, none of the firms in this group mentioned using formal codes of conduct or the importance of it, which are the socially responsible practices most researched in this growing area of study, as seen in Bastos & Fouto (forthcoming paper). We have shown that these here called ethical firms have other ways of introducing their ethical values into the routines of their businesses and their suppliers. Most of them make use of third parties certifications and memberships, to which they also submit themselves.

And there's a general trend towards individual and long-lasting supplier development, with firms making efforts to monitor or even audit suppliers' working conditions by themselves. This can be explained by the size of the operation of this group of firms, of which Everlane and Matt & Nat are amongst the largest international fashion and apparel retailer, and EKYOG is the largest one operating nationally. But even in the case of these three we have seen efforts to implement good working conditions by themselves. The former has voluntarily developed ways of meeting factories's needs, as presented by themselves, by redirecting their profits periodically. The second
one has the SA8000 standard for work conditions implemented in only one of their factories, but declared on their website the intention to implement it in all other factories they work with. The latter has asserted that they terminated businesses with a supplier that didn't comply with their labor standards, but that was only needed once.

Some of the smaller scale firms also engage in deeper ways of developing their suppliers and their communities, either by offering learning experiences, mentoring or even by offering financial and technical help. Notwithstanding these contributions, another firm operating in big scale not only introduced socially responsible practices, but also demonstrated efforts to go in every opposite direction in comparison to firms in the fast fashion paradigm. As a matter of fact, People Tree, can be considered the “patient zero” of fair trade manufacture in fashion and apparel retail, having worked closely with the World Fair Trade Organization in the making of their certification. This firm serves as an example of the shift in paradigm that an ethical retailer can be, on an extreme side of a continuous spectrum of socially responsible practices, perhaps even configuring an emerging paradigm in fashion and apparel retail. We have summarized the empirical observations that substantiate this idea on Table 4 below.

Table 4: Comparison between literature and case study findings

<table>
<thead>
<tr>
<th></th>
<th>Traditional</th>
<th>Fast fashion</th>
<th>Ethical</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supply driven</td>
<td>Consumer driven</td>
<td>Value driven</td>
<td></td>
</tr>
<tr>
<td>Longer lead times</td>
<td>Shorter lead times</td>
<td>Intermediate to longer lead times.</td>
<td></td>
</tr>
<tr>
<td>Large standardized productions runs</td>
<td>Shorter production runs</td>
<td>Short and more personalized production runs</td>
<td></td>
</tr>
<tr>
<td>Pressure on retailers (large inventories)</td>
<td>Increasing pressure on suppliers (shorter lead times)</td>
<td>Reduction of pressure and conflicts in the supply chain</td>
<td></td>
</tr>
<tr>
<td>Manufacturer power</td>
<td>Retailer power</td>
<td>Supply chain power</td>
<td></td>
</tr>
<tr>
<td>Outsourcing and increasing separation of activities</td>
<td>Elimination of stages in the supply chain</td>
<td>Addition of stages (monitoring, auditing, quality control)</td>
<td></td>
</tr>
<tr>
<td>Price driven sourcing regions</td>
<td>Emergence of sourcing regions for different purposes</td>
<td>One by one relationship building with suppliers</td>
<td></td>
</tr>
<tr>
<td>Small - Medium number of suppliers</td>
<td>Larger number of suppliers</td>
<td>Small number of suppliers</td>
<td></td>
</tr>
</tbody>
</table>
Table 4 consists in a suggestion of themes that have been first presented together as evidences of what constitutes an ethical retailer in this multi-case study. However, it does not have a conclusive purpose, and each element of the third column of this table still needs to be further explored into different hypotheses, and tested under different methodological approaches.

Concerning our analytical framework, the empirical contributions presented above have given us feedback over the framework's components, and their interconnected relationship. We have seen that there is a myriad of socially responsible sourcing alternatives to firms, either formal (third parties accreditations) and informal (ethical supplier selection criteria, individual screening, monitoring and auditing), and this are distinguishing factors for ethical retailers. More than just complying with certification standards, we see that these ethical retailers are learning to build lasting relationship with their suppliers, investing time and skills on them, caring for initiatives in community building as well.

Furthermore, we have seen that socially responsible curatorship practices are not exclusive to independent retailers, being a characteristic found amongst brand firms as well. Some of them showcase their own brand products in a specific curated way, others highlight products from fellow brands and artisans in a symbiotic manner.

Regarding stakeholder engagement, empirical evidences indicate that this is an element closely related to both socially responsible sourcing and curatorship, because firms are using these ethical practices in their communication strategies towards their consumers in particular and stakeholders in general. Their efforts in community building are also an important part of stakeholder engagement.

One important consideration from this empirical study is that, from the evidences collected in this part, we haven't seen any information regarding public ways of regulation and enforcement. This should be further studied in other research projects.
Bastos & Fouto (forthcoming paper) presented Williamson's institutional change analytical framework, in which the process of change is composed of different levels, depending on the pace and elements of change, and we can clearly see the differences between each level. Based on the empirical evidences studied in this paper, the pace of change between the elements is still obscure, but we can elaborate propositions about the key characteristics of our analytical framework.

\( P_1a \): The concepts of socially responsible sourcing and curatorship influence resource allocation and employment.

The fourth level of analysis in the framework proposed by Williamson (2000) comprises decisions concerning resource allocation, price and output adjustments on a continuous basis. The most distinguishing factor between traditional and fast fashion retailers and our group of ethical retailers is that the latter takes these decisions considering additional or even different parameters.

Their decisions regarding which factory to close a deal encompass the factory's compliance with labor regulations. They value whether the workers have living wages, or enough time to finish the orders. They worry whether their workers are getting to work and home safe. They focus on working with the right type of raw materials and promoting healthy and safe environments in their factories. They offer trainings and invest in capacity building for their suppliers. They showcase products of artisans in special places in their store, and tell customers the artisans' stories. All of these parameters influence the price level they are willing to deliver to customers, the deadlines agreed with suppliers, which materials they are going to source, all of which determine the firm's production function at a different category in comparison with traditional and fast fashion firms.

So at the first level of institutional change in ethical fashion and apparel retail, decisions regarding a firm's socially responsible sourcing and curatorship can be analyzed. These decisions are taken continuously, and can be observed very easily, but the roots of these decisions are grounded in a deeper understanding of the values these firms have (implicit rules and social embeddedness).

\( P_1b \): The level of asset specificity rises in transactions regarding ethical retailers.

The third level of analysis comprises institutions of governance, that is, the decisions regarding organizational types and supply chain management. The distinguishing point in comparison with
traditional and fast fashion firms is that the ethical retailers in our group work actively towards the strengthening of their supply chains. This proposition is a result of a logical deduction, once ethical suppliers have to differentiate from unethical ones, either through certification, compliance to codes of conduct, or simply gradual implementation of values enforced and supported by a focal firm. We can observe empirical evidences of increasing efforts from focal firms towards implementing these differentiation strategies, which results in a general trend of moving away from pure market transactions and towards hybrids.

**P1c:** Ethical retailers have higher stakeholder engagement in comparison with traditional and fast fashion retailers.

This proposition stems from the main contributions in the literature of social responsibility, which have commonly observed stakeholder engagement regarding “employees and their families”, as well as “local communities” (Calabretta et. al., 2011, p.1432). We have presented empirical evidences of focal firms with ethical characteristics actively participating in the communities where their factories are, and also improving working conditions.

Nevertheless, to analyze this proposition, two factors must be taken into consideration: the level of scrutiny has risen over traditional and fast fashion retailers, and the level of operation from these firms is usually much higher than from ethical retailers. Thus, when working with this proposition, researchers could make use of comparison techniques that consider stakeholder engagement relative to the level of operation, revenue, international presence and such parameters.

Based on the empirical evidences and the analysis conducted in this paper, we propose an adaptation to the integrative analytical framework (Figure 1). Combining the contributions from Bastos & Fouto (forthcoming paper) and this paper, we propose that there is a difference in the components of social responsibility practices, similar to the difference between the levels of social analysis proposed by Williamson (2000). This proposition is shown below in Figure 7.
We have elaborated considerations and propositions over the fourth and third levels of social analysis of institutional change, based on our empirical evidences. The second level of analysis comprises the institutional environment, or the explicit rules, and the first level entails social embeddedness, the implicit rules. However, in this multi-case study we haven't observed empirical evidences regarding the importance and influence of public regulation and its enforcement characteristics, in the context of ethical fashion and apparel retailers. This is an interesting theme proposed for future studies.

Implicit rules that ground the other levels of institutional change are really important to understand the “cognitive, cultural, structural and political” fundaments of economic choice (Williamson, 2000, p. 597). Nevertheless, this multi-case study's focus didn't rely in measuring these intricate aspects, which require further ethnographical techniques that can capture profound aspects of slow-changing processes.

6  Final remarks

Bastos & Fouto (forthcoming paper) had many contributions regarding the challenges involved in the pursuit of ethics in fashion and apparel retail, and we have seen that mostly two ways of implementing social responsibility have been studied in the context of these firms: public and private institutions (explicit or implicit), which influence the process of institutional change. In this present paper we have seen substantial differences between these here called ethical firms and traditional and fast fashion firms.
Nevertheless, we have gathered evidences regarding the origins of these firms, and decisions they have taken throughout the course of their growth, and we have identified intrinsic characteristics related to their ethical practices. Some of these firms have emerged in a context with no previous public or private regulation, and participated actively towards the creation of public regulations and enforcement characteristics. Other firms were created even in situations when incentives were negative towards ethical practices. Thus, these real changes may result not only from effective enforcement of socially responsible public regulations, or because firms implemented private written requirements, but also because firms changed internally their incentives to comply by valuing social responsible practices in a different (or inexistent) manner than other firms.

An important distinguishing trait in this group is that all 15 firms were born from individuals somehow unsatisfied with current traditional and fast fashion paradigm. This motivation prompted even the most inexperienced people from different sectors to become entrepreneurs in ethical fashion. So from these empirical evidences, we propose a third and disruptive way through which firms can introduce socially responsible practices, other than by private and public means of enforcement. In this particular way, the fashion and apparel retail firm stems away from fast fashion paradigm core elements that induce precarious labor on the supply chain, and turn to altogether innovative ways of doing business.

Notwithstanding this contribution, as mentioned previously, from this group of firms we didn't collect any evidences regarding the impact of specific public regulations and enforcement on a firm's process to have socially responsible labor conditions, or to become an ethical retailer. Many studies can be suggested to complement our analytical framework in this point, such as comparative studies, between firms considered ethical and not, and longitudinal studies, analyzing the historical evolution of the so called ethical retailer. To complement the critical appraisal of our proposed analytical framework, following studies are proposed, in order to focus on public regulation and enforcement characteristics.

An important consideration made by Mahoney (1994), is that there can be no ethical retailing without the development of ethical consumerism as well. Therefore, another suggestion for advancing studies regarding the considerations raised by this paper is juxtaposing retailers' ethical concerns and performances with its consumers appraisal, seeking to observe consumer's perception on retailers ethical characteristics as well as willingness to pay.