CAN FAST FASHION BE SUSTAINABLE AND STILL BE PROFITABLE?

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ABSTRACT

Fast fashion is the approach to designing, creating, and marketing clothing that emphasizes making fashion trends quickly and available to consumers. It is destroying the world we live in, creating a big opportunity cost for society, because it is the second largest polluter after the oil industry. Can the giants of fast fashion keep earning the amount of money they earn if they start complying with the best environmental regulations and sustainable practices? Economic theory suggests that if consumers demand higher ethical practices from fashion companies then profits will rise. However, if these practices increase costs then profits will fall. The 2019 Ethical Fashion Report published by Baptist World Aid Australia gives grades to 130 fashion companies according to five different ethical management practices. This data is used to determine how fashion companies’ profits vary with different metrics of ethic and sustainable practices and which have the biggest impact on profit.

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