**Fashion production systems**

Andy C Pratt

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**Introduction**

There is an increasing awareness of the economic and cultural significance of the fashion industry. This impact is felt in and beyond the cultural industries, and flows into the rest of the economy. This has an echo with what commentators have referred to as the ‘culturalisation’ of the wider economy (Scott, 2000): that is the sign value of culture increasingly being woven together with economic values forming an integrated whole. In the fashion industry, as increasingly is the case in other parts of the economy, price matters, but the marginal decision to buy if often weighted by the cultural characteristics of a product. The key point here is that consumers will pay more for fashionable/designed products. Hence, it is a good time to examine a leading cultural industry: fashion. Fashion is by definition a site of dynamism, transformation and innovation. There is plenty to be interested in here about how it is possible to sustain such characteristics. The fashion industry has not only grown but it has undergone some dramatic changes of organisation form and occupied some new niches in order to survive and prosper. The fashion industry is part of a global system, however, it is an activity that is simultaneously rooted in place; how long and to what extent it will continued to call Europe its home is an critical question. Above all, fashion is a complex amalgam of cost and quantity, and of qualities: both are important, this presents considerable challenges to understanding and explanation as we are used to using the limited vocabulary of economics to account for such transformations.

**Fashion: the industry**

The aim of this paper is to offer an overview of the evolution of the fashion production system, thereby situating current developments within the fashion industry in a longer term, and international perspective. The first question to address is a definition of fashion. Fashion is a system of bodily display, derived from around costume, and extends to jewellery, luggage and perfume shading into a broader definition of luxury goods. Fashion is normally characterised as different from everyday clothing and is associated with luxury rather than utilitarian needs. A further defining characteristic, one which gives us the noun ‘fashion’, signifies a constant and shifting value system whereby items may be deemed in or out of fashion, and hence symbolic revaluing leads to their cultural and economic value being repeatedly and quickly transformed.

Stated in these terms the focus is on the changing patterns of objects and their consumption: fashion being a particular case of all consumption. The question follows: is fashion an evocation of a trend, or an industry? The answer is both. In one sense it is a contested and dynamic information stream that constitutes and defines value. Fashion is time-based and culturally situated in character; it is a combination of design and innovation: as such its qualities are context dependent and relationally, not absolutely, defined. In this sense fashion can be a constituent any product. Some have argued that increasingly the design, or fashion component, of all products is increasing and hence this aspect is becoming an important part of explaining industrial growth and change. The critical aspect is not the proportion of a product that may be ‘design related’ but that product differentiation – the crucial buy/not buy decision - is made on the basis of design or fashion, not on price alone; in some cases design is more important than price or function. This is what is referred to as the culturalisation, or we might say the fashioning, of industry. In this sense it may be argued that all industries are becoming fashion industries. This has serious implications of the explanation and understanding of the practices of economic action that are normally based upon the (economic and cultural) values that are not so acutely time, or context, dependent. It may be exceptional, or an indication of things to come, but the dynamism of values and shifting product differentiation, and the production re-organisation that are required to sustain it, are the essence of the cultural and creative industries, and the fashion industry in particular.

We can regard fashion as an industry in the conventional sense such that raw materials are transformed and worked upon, reproduced in large quantities, and exchanged in a market. Fashion clothing is the product of distinct skills, institutions and commodities in their unique combinations. In the past the higher value-added end of the fashion industry may have been relatively autonomous from the economy, and it is considered to be a discretionary item. However, now we are in an era where fashion has become a shaper, in some cases a driver, of other industries and whole local economies. A recent report by the British Fashion Council (2010) put the direct contribution of fashion as £21Bn to the UK GDP, and £37Bn if indirect effects are taken into account; moreover, it was the largest employment sector in the creative economy contributing 0.8m direct jobs. The fashion industry is a combination of the textile and mass clothing industries, as well as those of fashion design and haute couture. This is an unwieldy amalgam, and one this is both unstable and has been subject to continual reformation, this is the essence of this paper: to understand the evolution and dynamics of the contemporary fashion industry and the shifting boundaries of the mass and luxury markets. We point out that the challenges of such scale and pace of change evoke particular organisational and strategic responses that in turn shape the fashion industry. In so doing we also raise three questions, one has already been alluded to: what is the ‘fashion industry’; and following this, a second: is the fashion industry the same, or different, to other cultural industries? Finally, in relation to the dynamics of change, we point to the role of situatedness: the importance of place and institutional embedding.

**The global fashion system**

In the last half-century or so there has been a distinct intensification of the transnational scope of all manufacture, generally referred to as globalisation. The classic organisational form that this takes is the transnational corporation (TNC): one that benefits from vertical and horizontal concentration, and is as a result able to collate resources from multiple world regions, to control production from commodity to consumption, and to capitalise on economies of scale and scope to wield close to monopoly power . Organisationally, the TNC is characterised as a headquarters and research function at the global core, with production outsourced to low wage regions and essentially the same products shipped to a global market. This is not a form that characterises the fashion industry.

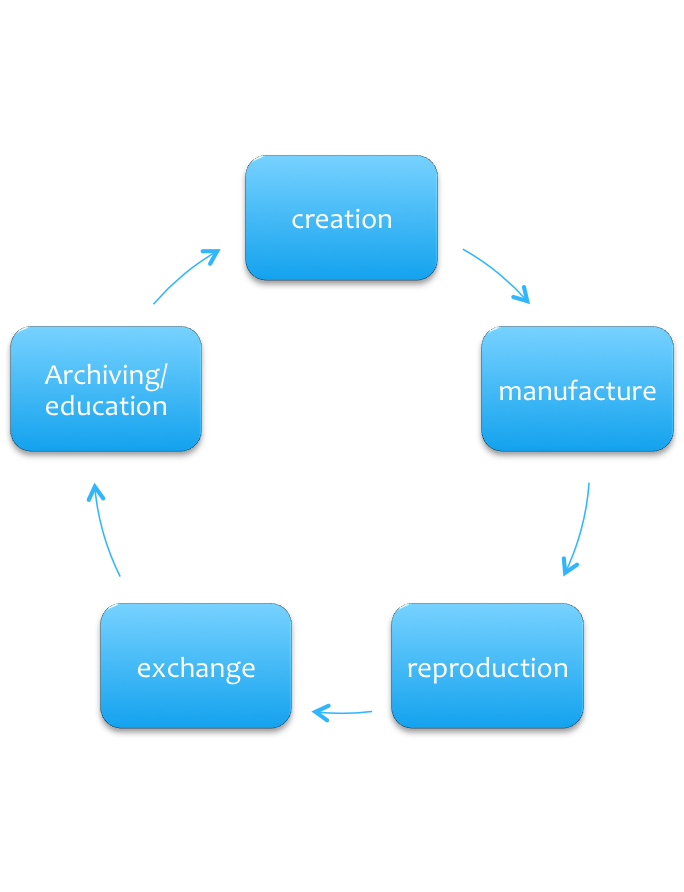
Commodity chains are hybrid, production systems, where ownership by one company is not the norm. Whilst initially developed to understand commodity production rather than manufacture, commodity chain analysis has been extended to offer useful insights into the clothing industries (Gereffi, Korzeniewicz, & Korzeniewicz, 1994). Thus, the pattern of historic export of cotton from the Indian sub-continent to the spinning mills of Northern Europe is an exemplar. Commodity chain analysis not only looks at the value chain, but focuses on the organisation dynamics and control; in particular it characterises commodity chains on the basis of where the ‘pinch point’ is, and who is able to exert strategic control over it. Significantly, the commodity producer has their market price not dictated by local conditions but by a remote agent, an intermediary, and markets. When, as in most commodity chains, the commodity producer is on one region, and the higher value added functions concentrated elsewhere this has a serious development issue in terms of income. Moreover it can trap commodity producers at the base of the commodity chain, making it difficult or impossible to ‘upgrade’ to higher value activities (that is manufacture, but also design intensive activities) (Bair & Gereffi, 2003). There are lots of examples of manufacturers exerting control on global clothing chains; a recent trend has been for retailers to gain strategic control of such systems.

Do industrial models, particularly ones of international manufacture help to understand the dynamics of the cultural and creative industries, let alone those of the fashion industry? Often, because the critical issues of control and innovation are cast as residuals in an industrial model simply concerned with costs. Thus, for the fashion industry, and related cultural and creative industries accounts have been shaped to capture these distinctive characteristics. Generally these approaches have been termed cultural production systems and are influenced by commodity chain analysis.

**Cultural Industry Production Systems**

Cultural industry production systems (CIPS) are characterised by their attempt to capture the whole set of activities and processes involved in production and consumption of particular products (Pratt, 2004). As noted above, normative economic analyses focus on factor inputs and outputs leaving processes un-investigated: CIPS analyses seek to ‘open the back box’ of production processes. This approach has worked well as a sensitising device for cultural analysis, economic and symbolic, in that it brings production and consumption, artists and audiences, into the same inter-related space. Moreover, it highlights the critical roles of intermediaries to act as mediators (in both active and passive senses) within the production process. Commonly, these intermediaries have a powerful role in the active translation of ideas and production processes, or the promotion of one trend or fashion compared to another. In contrast to normative industrial production systems, organisations in the cultural field are characterised by a sharp dualism between very large and very small companies, this ‘missing middle’ highlights the critical role played by those who intermediate between the two. This complexity of organisation and its inter-dependencies, and shifting allegiances, is commonly referred to as the cultural industries ecosystem.

A vital component of this ecosystem are the workers. In common with many cultural industries, and by contrast to many other industries, the fashion industry is comprised of a large number of freelance workers who work in project-based enterprises (McRobbie, 1998). Put simply, people may join a company with others for the life of a single project and disband the company at the end (often 6 months or less). Or, alternatively, a small core will comprise the company but other workers contracted in are as freelancers as their skills are needed. This makes for an unusual labour market, one that is very flexible and agile, but one that relies on much social and personal investment to sustain it. In the cultural industries this means that workers trade off participation in potentially career defining projects with considerable personal cost, in the hope that it will be a stepping-stone to future success. As many writers have pointed out this self-exploitation, entered into willingly, is not good for skill development and overall labour market sustainability.



*Fig 1: The cultural industries production system*

Although all of the above are in principle common characteristics of all production, these peculiar factors are disproportionately important across the cultural industries. The formal definition of cultural industries is based upon the product (clothing, music, television, film, etc.). A defining characteristic is that the market for those cultural goods is driven by fashion cycles, and has a ‘chart characteristic’ that commonly delivers near monopoly profits to the winners (Caves, 2000; Frank & Cook, 1996). Specific organisational and market forms are emergent for any one cultural industry, at any one place in time; they are reactive based on local circumstances and trends. These ‘peculiarities’ require analyses to be sensitive to these particular features.

The dominant and market shaping characteristics that give rise to success or failure across the cultural industries are unusual (and consequentially ignored by normative analyses). Accordingly, normative analyses tend to be blind to certain key aspects of the cultural industries. In analyses of the cultural industries the salient points are that the product turnover time and the innovation cycle are particularly short. Moreover, the risk of market failure is unusually high (as new trends or qualities cannot be estimated with certainty). In this sense, the timing of getting a product to market may be as important as its cost. Arriving too early, or too late risks failure: of two otherwise equally good products, one may be judged thus be judged a hit and the other a miss by the consumer. Furthermore, radical re-valuation of products takes place as fashions shift; two equally functional and price competitive products may arrive at the market: one is successful, the other not; particular qualities of one product design are fashionable. The qualities of products are hard to define, but they are the critical characteristic at the point of consumption. Critically quality is defined relationally, not in absolute terms.

The cultural industries in general have a number of common strategic concerns that shape how they respond to these unusual characteristics. Once successful cultural products may again be successful in the future. Hence, the focus on the intellectual property rights has become critical to enable the subsequent re-exploitation of products in new formats. Thus the identification, ownership and curation of intellectual property rights have become, in the audio-visual industries in particular, a major strategic challenge. A second challenge has been to capitalise on strategically important parts of the production process. So, for example, in the analogue age in film and music the distribution function was particularly important; here large holding companies that control IPR and determine marketing, act as mediators between artists and micro producers, and retail and distribution. Such strategies are continually open to recalibration with new regulatory regimes or new technologies. In the audio-visual industries the disruption, which has been made possible by digitisation, of the control over retail and distribution, which had formerly been under the control of producers, has led to radical re-organisation. In fashion the story is similar, but different. First, fashion continues to be a material product that needs manufacture and distribution. Second, unlike music it is not possible to copyright fashion. As we will see, these are not absolute constraints, and in effect they have also been subverted by organisational innovations in fashion from time to time.

**The shifting boundaries of the fashion industry**

The fashion industry is commonly defined as a small subsection of the clothing industry; it was formerly simply associated with Haute Couture, or the elite design elements of fashion; mass production, and mass market goods were seen as separate (and considered to be ‘normal’ industrial goods). The slightly wider definition of ‘luxury goods’ has often been used to indicate a common concern with the horizontal marketing of associated goods via association, a lifestyle; but still focusing on goods that have a very high selling price to manufacturing cost ratio: the premium is the design. On one hand this makes the fashion industry very similar to other cultural industries: managing new properties and bringing them to market. On the other hand, the legal position is different between music and fashion, clothing is not protected by copyright, although logos are; hence, on one hand, the proliferation of logo as design as a means to protect clothing from copying; on the other hand, speed to market has often been sufficient protection for fast changing product lines.

Whilst luxury rather than utilitarian clothing is our concern, this delimitation has some instability and permeability so we need to be aware of the industry as a totality. As noted above, the current phase of capitalism has led some to suggest a culturalisation of all industries, hence giving import to the symbolic creators as well as to efficient manufacture; in this sense fashion is a classic cultural industry. Additionally we can point to the fact that in many developed countries that income levels are rising and the amount of personal disposable income is rising, as is the relative and absolute flow into cultural consumption. This is itself a result of the targeting of new consumption categories – such as the 1950s construct teenager – and the fact that the lengths of educational experiences have increasingly stretched the teenage consumption period; this has been extended a step further by ‘baby boomers’ who consume what were previously seen as ‘teenage goods’ (films, music, clothes) into older age. This expansion of existing markets is dwarfed by the growth in wealth and expenditure of the developing world, especially a growth dominated by young and aspirant middle class consumers. Fashion is no longer confined to a North American-European elite.

Clearly, the market for all cultural goods, including fashion, is growing; however, this is only half of the story, a significant shift has occurred in the organisation of the fashion industry, it has not simply expanded evenly to meet demand. Initially the industry was bifurcated between a very small elite haute couture and mass consumption; however changes in retailing in the mid 20th century increasingly drove the expansion of the ready to wear market (Breward, 2003). Along side, but in dynamic cultural tension to both, has been the growth of a distinct ‘youth market’ that has its own subdivisions of one off and mass production tied in closely to the cultural industries and popular culture, especially the music industry (McRobbie, 1989). All segments bear a close relation to one another. Finally, there is the mainstream fashion that blends into utilitarian clothing, the low cost, low margin ready to wear: it is a continuum of markets rather than strict sub-division, the same goes for organisation.

Haute couture has its main focus on the designer and the style leader, the mass clothing market on the low cost per item. In between is a complex space that has undergone change and growth; it is the strategic space that has been addressed by designers, makers and retailers/ distributors using various innovations of product and process. What is apparent is that whilst cost remains critical in these debates, it is part of a mix rather than the final determinant; information (positioning, quality) is even more important in terms of eventual sales in the growing ready to wear markets.

It is not the purpose of this paper to provide a detailed history nor to provide a complete survey of all of the organisational strategies that characterise the history and evolution of the modern fashion industry. We will concentrate on this critical strategic space of the ready to wear that stretches from designer diffusion clothing, to mass, but short run, production. This is the struggle within which the European fashion industry has had to engage with under pressure from international low labour cost competition.

At heart the debates are three fold: between the power of money, manufacture, or retail. The money dimension is where the power of a holding company to balance risks and to maintain an investment fund has sustained large entities that sustain brands and exploit horizontal and vertical integration (by associating other lifestyle co-brands that cover perfume and luggage). The LVHM and PPR groups are profound examples of such an approach (see ownership chart), as the smaller focused companies of Armani and Gucci (Crane, 1997; Djelic & Ainamo, 1999). In many respects this is a normative industrial strategy built around design expertise and control of intellectual property via super-branding, and sustained by heavy investment, as well as advertising.



Luxury Brand Groups (Okonkwo, 2007)

**Varieties of Fast Fashion**

The real battle has been in the organisational space of manufacturers and retailers in the mid ready to wear market. European manufacturers have been severely threatened by low cost labour competition from Asia. The traditional low cost, mass market, slow fashion turnover market has more or less left Europe. Initially, there was much hope that the value added design and marketing, or even higher value, higher skill, ready to wear might be maintained in Europe in the 1970s based upon superior craft skills, this was not to be. In the 1980s the notable transformation of industrial districts in Northern Italy provided models of how these craft skills coupled with short and flexible production chains, and flexible production systems could respond and maintain a market niche with high quality fashion against the competition of low cost, low skill volume producers (Brusco, 1982; Dunford, 2006). The debate was about the ‘new competition’ based on quality (Best, 1990), which it was felt that European producers had a competitive advantage for (Zeitlin & Totterdill, 1989); moreover, the agility of local production systems gave advantage to local rather than global production chains (the competitive advantage of the latter was low cost). However, in short time global producers in the developing world began ‘upgrading’ and were increasingly able to challenge the higher skill and design niches and to provide design and cost competition to European producers.

Retail has always been an area of potential competitive advantage in the fashion industry, since the growth of the ready to wear in the early 20th century retailers have grown in power, and in classic commodity chain fashion, they have used their purchasing power to define price and quality from producers. Thus, the power of retailers has been enormous, as they have sought to define and drive their fashion positioning with own label collections. Here initially the focus was on the buyer to acquire, and then drive (through production), what was to be in that season’s collection. Thus, products were, due to the long production chains and time lags, a distant echo of the cat-walks. Successful retails sought to manage such disadvantage by making a virtue of ‘standard’ and ‘basic’ fashion ranges. This generated fierce price competition amongst suppliers, with obvious implications for low pay at best, and exploitation at worst. The over extended supply chain, and lack of oversight of labour conditions has been a common consumer activist challenge for clothing retailers.

In this context it is the field of Fast Fashion that contains the most striking of organisational innovation (Tokatli, 2008). This has led to a blurring of the boundaries of manufacturer and retail. Whilst manufacturers were experimenting with flexible specialisation production, the retailers were concerned with stockholding. One early innovative strategy was pioneered by Benetton which was to link sales data directly with the ‘just in time’ dying of woollen goods (Belussi, 1997). Mass production could thus take place in a neutral colour, and items dyed more or less as trends shifted. This just in time system – borrowed from the Japanese car manufacture – favoured short delivery times, and physical proximity; it was in effect a technological upgrade of the industrial district. This process linked production and consumption, not simply other producers (the industrial district model).

Zara took a step further (Segre Reinach, 2005). They focused less on design and more on translating selected high fashion catwalk designs into mass production, quickly. They were able to use their productions systems to capitalise on speed and sufficient quality to stock stores. Those coming solely from retail, such as Top Shop, H and M, and Forever 21 have pushed the concept further still (Hauge, 2007). The notion of speed is not simply copying a design and putting it into mass production, but one of shortening the ‘season’. Traditionally, the fashion season echoed the annual cycle: spring and autumn. However, the new competition has driven the speed of fashion turnover to between 4-6 weeks, or less; this created huge logistical challenges: this means that production runs of clothes are shorter and change more often. In the internet shopping age retailers have sought and succeeded in retaining the focus of competition on the store. The current battle is to attract consumers to view shopping as an event, one that they must return to at regular intervals. Retailers now have plans for regular complete shop refits, and deliveries to store as often as twice a week. Moreover, inventories are not only lowered in warehouses, but are shortened to purposefully sell out of stock at stores. The trade off is that advertising is less. For example, Primark, a UK fast fashion operator, claimed to do no advertising the money being invested in logistical costs instead. The anticipation is of an instant decision to buy is not premeditated or prompted advertising but to create a frenzied atmosphere in store where if items are not purchased immediately they will be no longer obtainable.

It was an early claim of Zara that the fast fashion model was one that would keep clothing production in Spain, and Europe as a whole. It is a sign of the times and an indication of yet another transformation that the European manufacture strategy of Zara is now international, however it is not simply a reversion to an earlier model of using low cost production. This is yet another iteration of hybrid production form where ‘low cost producers’ are themselves increasingly high skilled, and design initiators. Zara and similar companies seek to mobilise an international production chain as well as international design components innovated by manufacturing suppliers. The focus on the fast turn over of retail sales means that companies like Zara find it profitable to ship half full containers across the world, or support higher labour costs locally, to ensure a timely flow of stock turnover: A triumph of a product’s unique qualities over that of price alone .

A different niche has been exploited by online retailers. One of the major growth areas in recent years has been internet sales with the savings on high street rents. As we have noted, fast fashion seeks to capitalise on the retail experience, online fashion is about economies of scope and horizontal cross-marketing. A notable success is ASOS, which stands for As Seen On Screen. The screen is not the computer, but film or TV. This is a means to buy the styles seen by stars and performers, as well as other fashions (Okonkwo, 2010); recently even Amazon have entered the high fashion market. This also ties into an older mass-market form, the shopping catalogue, and home shopping. Finally, there are the ideas of customisable fashion where it is possible to get tailor made designs by brand leaders. Youth footwear retailers – Nike and Converse - offer a service to make up training shoes in a custom colour-way providing a neat example of the mass-niche fashion, one that is already branded but presented as unique and tailored to an individual.

Clearly one of the tensions in these transformations is the investment – or lack of investment - in design. As we have noted copyright does not apply to fashion and hence under-investment in new design and innovation is a potential consequence of fast fashion, which cannibalises every new trend as quickly as it makes an appearance on the catwalk. A new niche has emerged: the ‘cool hunter’, or the ‘fashion blogger’. No longer are stylists researching in museums and libraries for past fashion inspiration, now style books are constructed from what (extra) ordinary people wear in the street and are blogged internationally, or sourced to fashion companies. However, despite the apparent outsourcing of design the ‘spotting’ skill still remains in the editorial process of the intermediary, or the designers’ skill in making up novel designs. These capabilities are the strategic weakness of fast fashion.

A fixture of the last century has been the seasonal fashion displays highlighting future season’s collections. These are under threat from the retailers cutting of the fashion season. The fashion show performs multiple functions; in particular it is a way for the fashion production system to meet face to face. In fashion as in other cultural industries this temporary network form, that mobilises dispersed international flows and mixes them with local connections is a vital part of the tacit information exchange and trust relationship that underpin cultural production. Another function is for fashion shows to be a showpiece for the city, and a means of attracting tourists or foreign direct investment. An increasing number of city authorities are now sponsoring a fashion week in the hope of getting on the fashion map, and attracting publicity (Weller, 2008). So, there are future questions as to the precise role of the fashion week in this emergent system.

Beyond this yet another flow of information - carried on backstage, that of fixing the colours and fabrics for next season but one. On one hand producers can react to the cat walk, on the other hand they need to ‘tool up’ with what will be the necessary materials so that they, and associated luxury producers, can lock step with the designers to keep a coherent trend going. The debates about fast fashion, and the struggle between retailers and manufacturers should not lead us to forget the threads that literally bind the industry from cotton, silk or artificial fibre producer to finished clothing. The future markets for fashion will be in the BRIC economies, and less in Europe and North America.

**Conclusion and prospect**

This chapter has sketched out the parameters of the fashion industry. Whilst, without doubt fashion is a means of personal and cultural expression, it is also an industry. The industrial and economic aspects have been relatively under-researched. We highlighted the fact that the fashion industry is fast evolving, and growing. We have also pointed out that traditional economic analyses have under-examined some of the crucial drivers of change. These are all important issues for a number of reasons. First, the local and global consequences of the transformation of the fashion industry help us to understand the challenges facing urban and regional economies, particularly in Europe. Second, the fashion industry, like the cultural industries more generally, is leading a new form of economic development that blends qualitative elements and quantitative forms, a culturalisation of economic action. This presents some unique challenges for social and economic development.

In this emergent field there are a number of challenges, in addition to cost, that characterise cultural industry production systems: risk, rapid turnover of products, and importance of qualities of production (design). Industrial organisation changes have evolved along with social changes: a extended ‘youth consumption’ time-span, a greater propensity to spend on discretionary goods, and a greater disposable income more generally. Taken together with these social and organisational changes it is not surprising that the cultural industries have become such a motor of growth (UNCTAD, 2010), and why particular industries, for example the fashion industry, have out performed other parts of the economy. However, this growth is not in the same forms, or locations, as previously. As is well illustrated in the fashion industry, low cost mass production has moved to Asia, generating severe challenges not only for European mass producers, but also for the design intensive fashion industry. This chapter has outlined some of the responses to these transformations in the fashion industry.

The emergent picture of the fashion industry is that of a complex and swiftly changing. The most dynamic fields concern logistics, time and information. Paradoxically, the adopted strategies are working to neuter simple cost advantage. Arguably, the history of the last century of fashion has been the battle for control and expansion of the ready to wear, where there is a complex trade off between cost and qualities has taken place. As we have noted the latest iteration is ‘fast fashion’, however, all fashion is fast, and it is clear that there are multiple strategies within ‘fast fashion’, and neither time nor cost are the sole criteria. As a simple way of comprehending this complex field we propose here a new map of the fashion industry.

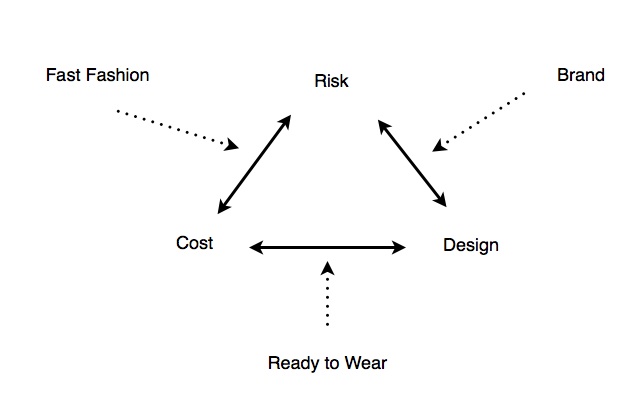


Fig 3: The strategic challenges, and recent solutions, of the fashion industry

The diagram seeks to summarise this space as characterised by three sets of tension between Low Cost, High risk, and Design intensity. The place-holders at the low cost end are the traditional subcontracted manufacture. The traditional product is simple, generic and low design and utilitarian fashion. The design intensive node is that of the couture provider, high cost, one off, and with lots of investment in design and innovation and governed by the fashion season. Traditionally, the ready to wear goods would lie on a continuum between these. Arguably, the new position, made possible by extreme logistics: it is a way of playing both ends off against one another, by using technologies to minimise risks. So, fast fashion is an example of low cost, design-selected product, which will have a very short shelf life, survives. In between there are a number of other possible spaces to occupy. Fashion brands reduce risk by wrapping new design in safe packages. Other strategies might be youth / street fashion that lies somewhere in the middle. As will be clear, any particular strategic position is a trade off between competing dimensions; the precise positioning of any company depends first upon their organisation (if they are a retailer, manufacturer, or designer, etc.). Second, the strategy has to be flexible and responsive to local circumstances. This ‘embedding’ is a fourth dimension of strategic positioning. Finally, another dimension, thus far ignored, is the recycling of clothing from the west to the global south. As well as providing a reuse for short used clothes, it is also building a demand for branded clothing in some of the worlds poorest markets such as West Africa.

A common criticism of all general globalisation models has been their failure to pay attention to the local and the specific. In the field of culture and consumption this is very apparent. Competition is most usual based upon heterogeneity not homogeneity; and the degree of localisation is critical. In fashion the innovation systems that rely upon a degree of tacit knowledge, instant and fuzzy feedback between production and consumption all point to the localisation. Localisation in dynamic cities is a further characteristic. Here, one also has the assistance of a flow of migration, cultural diversity, and cosmopolitan tensions that are such a vital environment for experimentation and innovation; as well as the capacity and wealth to take up new ideas and sustain them (Bathelt, Malmberg, & Maskell, 2004). Perhaps more specifically, cities are information hubs that mediate between the global and the local, allowing cities to play both the local and global as an attempt to minimize risk. How cities and their industries respond to the new global-local configuration, and how and to what extent they are able to play a strategic mediating role is likely to shape their success or failure. We still have a lot to learn about the emergent culture-economy hybrid.

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