



Dov Charney

by Kieran Meeke, October 9th, 2003

YOUR 60 SECONDS EXTRA STARTS HERE: Canadian Dov Charney is the president and driving force behind American Apparel (www.americanapparel.net). Based in Downtown LA, it specialises in T-shirts and is the largest manufacturer in the US. But what makes it unique is Dov's anti-sweatshop philosophy; his workers receive much higher than average wages, English classes and health insurance.

You're paying your workers more than your competitors. How do you stay in business?

Because our costs are lower, we're vertically integrated and we've created an environment of efficiency. We bring designers and workers together in the same place, we bring our distribution very close to the manufacturing. We make money by optimising our supply chain and our distribution chain. By bringing the workers inside of the company, all this is possible. If workers are offshore, there are a lot of inefficiencies.

Your end product is actually cheaper than your competitors'?

My overall costs - all the direct and indirect ones - are less, even than in a prison in China.

How far down the chain are you looking? What about the pesticides involved in growing cotton?

We've already launched an organic T-shirt line. We sell them as a natural colour and we don't sell them more expensively than our non-organic products. We're also buying sustainably-grown cotton, where pesticides are reduced by 80 per cent. We're introducing at least a million pounds of that into our supply chain for our conventional lines. We're trying to make sure that everyone touched by our business has a positive experience. By moving production close to our manufacturing, we smooth out the whole process and make it extraordinarily efficient.

Is it a concept that can only work in America, given the size of its market for T-shirts?

The market in Europe is as large, especially once it is unified. We're planning to open in China or India, but pay the US minimum wage in dollars.

You'll have queues of people wanting to work for you.

There's the problem of people like Union Carbide in India paying marginal wages. Which is the bigger problem: underpay or overpay? I'd rather be in the overpay position.

You might be offering more than the government is paying primary school teachers, so schools will lose teachers...

I'd hope to have the opposite impact, and make people think: 'Wow, if this is possible, maybe this is a business model that has some merits.'

What's the worst thing you've seen in your industry?

People sleeping beneath their sewing machines.

Where?

I don't want to give you a recital on that. It sounds like I'm gloating. **60 SECONDS EXTRA!:** Conditions in the apparel industry are poor; they've been poor for a century. It's always been the lowest common denominator: 'Why should I automate this production when I can go offshore and pay ten cents an hour?' We're starting to automate because our wages are so high.

60 SECONDS EXTRA!: Do we blame manufacturers or consumers?

I blame the fact that the soft goods industry has always been dominated by immigrants. The Anglo-Saxon elites of New York, London, or Montreal don't want to participate in the 'schmata' business. Immigrants - mostly Jewish - dominated the industry in the 1920s, 30s and 40s. They didn't have access to the banking system - it was hard for a yiddish immigrant to Montreal in the 1950s, say, to break into more professional areas. There was a stigma attached to owning a sweatshop, never mind working in it. No one from Harvard was going to manage one. It's always been a low-end endeavour - a few sewing machines and you could get rolling. Because the work was seen as so lowly, it was outsourced as soon as possible, first to North Carolina, then to Asia. The unionisation of factories, the divide between workers and managers, also chased the work out.

How many T-shirts are made every year?

Billions. Even in the poorest conditions, people have two or three. I estimate that, on average, every person in the world has six T-shirts.

How many do you have?

I'm a weird one. I only take about ten T-shirts a year out of the company. I like to wear the same one all the time, to feel that T-shirt mature and evolve, like a pair of jeans.

60 SECONDS EXTRA!: Who invented them?

It's something to do with the US military. But it basically first emerged in the Anglo world - you can't say whether it was England or Canada or the US. You see it in old photographs of the Anglo

world. The French were the first to embrace it, but the influence came out of Italy (Naples).

60 SECONDS EXTRA!: It was underwear?

Yes. Knits aren't that old - two or three hundred years. England had something to do with that. Wool sweaters are a pointer to the T-shirt. So it might be English if you take it back to its deepest origin. There's some confusion in other languages, such as French, between sweater and T-shirt.

60 SECONDS EXTRA!: You don't print them, but do you have a favourite slogan?

I can't have anything printed, or any logos, on mine. I like the plainness. That's my uniform. When I was 15, I used to love Hayes reds. You couldn't get them in Canada, so I'd take a bus to the US - 35 miles away - with a few US dollars to buy them.

What makes a good T-shirt?

One that shrinks to your body, uses the oils from your body, moulds to you and becomes part of your personality. Comb cotton is important. Stretch is very important. Retailers don't know what's a good T-shirt, consumers do. It's a very weird science that I'm trying to tap into.

60 SECONDS EXTRA!: Sideseams versus tubes?

Doesn't make a difference. You can simulate a tube with side seam. Tubular is more efficient from a manufacturing viewpoint, but we do both. What's amazing is that what is a good T-shirt for a young man isn't a good T-shirt for an old man. There is some sexual biology there. The population bulge of the 1960s is moving through the market now. It's like ties. Young men like narrow ties, but as you get older and more stable you like things wider.

You've stressed the dignity you allow your workers. So why do you have a T-shirt for dogs? How dignified is that?

Dogs are people too. We love dogs because they have human in the eye. I have to put out a message here. Not every dog loves a T-shirt because they already have a coat on. We must be sensitive to their feelings. I have been discussing this with my three dogs. The rottweiler does not like T-shirts as much as the Italian hound. It depends on their cultural origins. It depends on the weather, too. We're working on dog shoes now - knitted ones. We're planning to reach out to the dog world and bring them in to the sweatshop-free game.