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COLUMNS

Breaking the chain of gender inequality

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In the span of a single year digital fashion has undergone a revolutionary transformation.

What was once strictly the realm of gamers and experimental developers is now flourishing into a substantial wing of the fashion industry. But virtual fashion is much more embedded in culture and society than we often believe it to be, and, consequently, it has an enormous capacity to impact perceptions, power dynamics and labor conditions, especially when it comes to women.

The technology at the heart of this massive shift? Blockchain.

The same underlying tech that powers cryptocurrencies such as Bitcoin is currently being adapted to all aspects of the fashion system from design to production to sale.

At its heart, blockchain is simply a tamper-proof ledger that can log any type of transaction with perfect accuracy.

In the era of fake news and greenwashing, a truth everyone can trust has a certain timely appeal. The last decade saw an explosion of crypto in the financial sphere and now it is the fashion industry's turn to change how it designs, makes, sells and resells.

The trust imbued by blockchain is particularly important for sustainability efforts in fashion.

After years of unsubstantiated claims, storytelling around sustainability is no longer sufficient.

Blockchain ensures a transparent and traceable journey between product and consumer from farm through factory to shop and beyond.

While there has been a tremendous amount of discussion about the potential environmental benefits and impacts of crypto in fashion, few have considered the issue from a more human and, specifically female, perspective.

Blockchain, NFTs and digital fashion all offer unique potential applications that could improve women's health & wealth around the world.

From a health and safety perspective, blockchain technology offers the opportunity to survey the overwhelmingly

female garment workers of the world directly about their wellbeing and to connect that information to the clothing they produce.

Today, the fashion supply chain is an incredibly complex, fragmented system that makes it nearly impossible to trace a garment from material to retail.

Raw materials change hands many times, making it difficult for brands and, by extension, consumers to verify the origin. To solve this, TextileGenesis developed blockchain tokens called Fibercoins that digitally accompany textiles from raw materials to finished pieces.

By having a traceable system, brands and consumers can trust that textiles live up to their promises of sustainability.

Beyond tracking sustainability, blockchain is also being used to ensure the health and wellbeing of garment workers.

The 2013 collapse of a Bangladeshi garment factory killed 1,134 people and brought this issue to the forefront. Since then, there have been many promises from brands to ensure safer working conditions. Given that 80 percent of global garment workers are women, this is an extremely gendered labor issue.

Unfortunately, since most brands do not own their own manufacturing and supplier facilities, they rely on reputation and infrequent inspections to verify factory employee health and safety.

Levi Strauss is fighting this issue with its Worker Well Being Program that uses blockchain-powered surveys to monitor health, financial security and gender equality of its factory workers.

With blockchain, when a brand makes a sustainability or ethics promise, it has the receipts to back up its claims. Consumers are increasingly aware that their purchases are not separate from their values, and Blockchain closes the brand accountability gap.

Meanwhile, digital fashion challenges the very definition of clothing by creating garments that only exist in pixels. This is quickly blurring the line between fashion and finance as non-fungible tokens (NFTs) become a popular investment.

Cryptocurrencies those decentralized digital currencies that are powered by blockchain are now being used to buy both physical and digital items.

Each of these applications are still niche and fragmented, but a new generation of cryptocurrency-friendly digital retailers are emerging to pave the way for a revolutionized fashion landscape.

With each new system, whether technological, social, or economic, early adapters gain advantage.

Currently only 10-15 percent of cryptocurrency is held by women. If the future is cryptocurrencies, women are currently at a huge disadvantage.

Digital fashion NFTs may help level the playing field for crypto investments by creating a more appealing entry point for many women.

The stakes for crypto fashion are higher than digital sneakers and Dogecoin, however fun. This technology has the potential to create more traceable and transparent labor systems and more equitable gender participation in the financial markets of the future.

Cryptocurrencies also offer the possibility of leveling gendered access to banking around the world.

Due to a variety of cultural and economic factors, 42 percent of women globally do not have access to their own bank accounts. This is, according to the World Bank, 9 percent lower than that of men's.

The mobility and informality of cryptocurrencies could also offer a lower barrier of entry for women who may not have the ID required to set up a bank account.

Crypto can be conducted purely from mobile phones, does not require formal setup, and cuts out the middleman of banks.

Since cryptocurrencies are all about peer-to-peer payment, they can enable women to assert more control over their finances without involving any outside institutions.

In countries where women have wider access to existing financial services, cryptocurrencies are still mostly in the hands of men.

Since women in the United States still currently earn 82 cents to a man's dollar, women tend to be more conservative in their investment decisions.

Crypto has largely been billed as a risky, volatile investment and very much connected to the technology industry. Both of these associations help explain why men have been much faster to jump into cryptocurrency investments.

But as NFTs explode in fashion, more women may start to see this industry as relevant for them.

The Fabricant is creating one of a kind crypto-collectibles. These unique items are protected by blockchain and ensure that a perfect chain of ownership is recorded.

Investment in digital fashion NFTs could help level the crypto-investment playing field. Keeping a digital record means that digital fashion objects become a bankable form of investment akin to buying a Birkin or a Picasso.

The same may soon be true for verifying authenticity in offline goods.

LVMH has partnered with Microsoft to create Aura, which is a blockchain system that helps fight luxury counterfeits.

Increased consumer confidence in authenticated luxury could help spur even more growth in the exploding secondhand market.

Women, in particular, have long invested in luxury fashion and NFTs offer a natural entry point for many women.

Aside from NTFs, there are also a number of cryptocurrencies specifically developed for fashion ecosystems, including Australia's SwapPay and Natalia Vodianova's LoveCoins.

These cryptocurrencies directly connect fashion labels with social initiatives. New integrations with fashion have the potential to expand these currencies and investments to an audience who previously did not see themselves using crypto.

WE ARE STILL in the first chapter of crypto and fashion, but the potential to use transparency and peer-to-peer transactions to improve lives and livelihoods is evident from these early explorations.

From making sense of messy textile systems and ensuring worker safety to creating attractive entry points for women into the new digital financial reality, and to ensuring authenticity in a secure way, blockchain is touching every segment of the fashion industry.

Like the cotton gin and sewing machine before it, blockchain is the next technology that will change how we get dressed.

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