Designing for the Other
Using Knowledge to Upgrade Manufacturing
in the Garment Industry

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Abstract

The first purpose of this paper is to theorize on the kind of knowledge that firms need in order to upgrade. The second purpose is to discuss some specific ways to upgrade, especially given the problem of contextual knowledge that manufactures face. To understand upgrading among garment manufacturers in developing countries, we must analyze the meaning of fashion garments. The paper introduces the theoretical notion of contextual knowledge, which furthers the two main findings of the paper. The first finding is empirical: it is a different situation to have a garment-producing firm in a developing country design for final consumer markets in developed countries than it is to have garments designed by someone close to these markets. This is due to a knowledge-gap in the global market. As a result of this first finding, the second and more theoretical one deals with the knowledge context by examining its two dimensions – the lifeworld and the province of meaning.

Zusammenfassung

In diesem Discussion Paper wird das Bestreben der Bekleidungshersteller in Entwicklungsländern, ihre Wettbewerbsfähigkeit auf globalen Modemärkten zu erhöhen, in zweierlei Hinsicht analysiert. Erstens wird theoretisch erfasst, mit welcher Art von Wissen Hersteller ihren Produkten ein hohes Ansehen im Markt verschaffen können. Zweitens werden verschiedene Möglichkeiten des Upgradings verglichen, vor allem in Bezug auf das Problem des kontextbezogenen Wissens der Hersteller. Damit verständlich wird, was eine solche „Wertsteigerung" für die Modeindustrie in Entwicklungsländern bedeutet, werden zunächst die Bedeutungs- und Sinnzuschreibungen von Markenmode analysiert. Die Darlegung der theoretischen Auffassung kontextbezogenen Wissens fördert zwei Erkenntnisse zutage, wobei die erste empirischer Natur ist: Es ist ein Unterschied, ob man einen Bekleidungshersteller in einem Entwicklungsland für den Endverbrauchermarkt eines Industrielandes produzieren lässt oder jemanden, der zu diesen Märkten die räumliche und kulturelle Nähe hat. Der Grund dafür ist eine Wissenslücke im globalen Markt. Folgerichtig bezieht sich die zweite, theoretischere Erkenntnis auf die beiden Dimensionen des Wissenskontextes: die Lebenswelt und die Bedeutungswelt.

Contents

1   Introduction

Garment production is a typical example of a global industry. Production takes place in developing countries, while design and marketing are carried out in main offices located in developed countries, often in global cities (Sassen 2001: xx) where fashion trends are set. This means that consumption is separated from production not only by physical distance, but also often by other forms of distance, such as religious, economic, linguistic, and cultural. As a consequence, manufacturers in developing countries who produce garments are embedded in a different form of economy and face other sorts of problems than do retailers.

How does the distance between marketing and design locations, on the one hand, and production locations, on the other, affect garment manufacturers in developing countries? What strategies can they use to improve their situation? This essentially theoretical paper focuses on the knowledge that is needed to upgrade through design in the global garment industry. The purpose of this paper is twofold. Firstly, I theorize on the kind of knowledge that is needed for firms to upgrade. I call this "contextual knowledge." Secondly, I discuss certain ways to upgrade, especially given the problem of contextual knowledge that manufactures face.

Upgrading can be defined as "enhancing the relative competitive position of the firm" (Schmitz/Knorringa 2000: 181). Upgrading through design (e.g., Gereffi 1999; Skov 2002, 2003) is related to the way manufacturers learn from their buyers (Gereffi/Humphrey/Sturgeon 2005; Tokatli/Eldener 2004; Bair/Gereffi 2002: 37; Peters/Durán/Piore 2002; Schmitz/Knorringa 2000; Knorringa 2002; Yoruk 2001).[1] I will not focus on two obvious preconditions of upgrading, namely, economic capital and access to global markets (cf. Gereffi/Humphrey/Sturgeon 2005: 99–100).

In the network literature (e.g., Burt 1992) it is claimed that the producers can face an information problem; some positions are simply receiving less information. This is implicitly a reason why they cannot upgrade. In this paper I will qualify this simple idea, for it ignores the aspects of knowledge and interpretation. Furthermore, according to some scholars (Schmitz and Knorringa 2000), the literature on upgrading so far has been too focused on material conditions, e.g., "technology transfer" (Schrank 2004),

1   Firms can upgrade both their processes and their products. The third way to upgrade is to move into the more value-added and in many cases more profitable areas of design and marketing (see also Gereffi 1999: 51–55). This suggests that producers can learn either directly from foreign buyers or indirectly by using them as benchmarks (e.g., Amsden 2001: 55, 286).

and on "clustering" (Giuliani/Pieterobelli/Rabellotti 2005). This means that the upgrading of firms operating in the global garment industry and of firms in other industries producing for aesthetic markets (Aspers 2001, 2005a) is not well understood. Aesthetic markets lack clear standards for evaluating products (Aspers 2005b), and it is especially critical that we consider the role played by knowledge in this context.[2] The concept of contextual knowledge contributes to the literature dealing with knowledge, which has not paid enough attention so far to the combination of knowledge and the situation in which it is used (Aspers 2006).[3]

2   Field and methods

Although the main thrust of this paper is theoretical, the arguments presented here are demonstrated in relation to empirical material and supported by evidence. The empirical research is restricted to one segment of garment sellers, namely, large retail chains (such as Topshop, H&M, Zara, and Marks and Spencer). These are studied in two European fashion markets, Sweden and the United Kingdom. This survey is enhanced by examining the garment manufacturers whom retailers deal with somewhat farther up the production chain in two countries, India and Turkey. In both countries we find high-fashion production, which can include design input, and low-fashion production. The idea here is not to conduct a comparative study featuring countries as units; the variation is used instead to safeguard the generality of the empirical findings at the firm level.

The empirical evidence draws on several sources of material. I did fieldwork for two months in India, for one month in Turkey, and for much longer in Sweden and in the UK. Participant observation was carried out at factories and garment and fashion fairs. From 2002 to 2004, twenty-seven interviews were conducted with merchandisers, designers, owners, and buyers. Most of the interviews took place in India and Turkey, and the majority of the respondents were theoretically sampled, which means that I traced the chain from a retailer, through a buying office, to its manufacturers. Two other sources of empirical material used in this study were trade magazines and websites.

This research design enabled me to identify different kinds of knowledge. The concept contextual knowledge is the result of the development and differentiation of the initial code "knowledge" in the empirical material. This differentiation was initiated by the

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2   Compare the notions of aesthetic economy (Entwistle 2002) and cultural economy (Du Gay/
     Pryke 2000), as well as that of the knowledge economy (cf. Barry/Slater 2005).
3   I have used literature that is more oriented toward the practical aspects of knowledge rather
     than literature on the sociology of knowledge. The connection between these two bodies of
     literature is unclear (Swidler/Arditi 1994: 321).

discussion carried on in the literature on knowledge and is supported by empirical material. The study, in sum, starts from a theoretical framework and ends with a more developed framework for conceptualizing and understanding knowledge. I use the whole of my material as a background for interpreting the concrete pieces of evidence I present here. Hence, the validity of the results must be seen in relation to the entire range of material.

3   The garment industry

Today, every study of the fashion industry must acknowledge the industry's global dimension (e.g., Aspers/Skov 2006; Kellner 2002; Gibbon 2001; Schmitz/Knorringa 2000; Knorringa 1995). The term globalization, as used in this paper, refers to the way culture, economy, politics, and other fields are transformed in terms of dependence patterns. While the dependencies that used to exist on the levels of kinship, locality, or nation are still important, the impact of globalization means that they are gradually being augmented by dependencies on the global level.

The garment industry epitomizes the process of globalization. In many countries, the first step toward industrialization and factory production took place in this industry (Amsden 2001: 93ff.; Weber [1923]1981: 162–177). However, the input of labor into the work process has not substantially decreased (Johnson 1985: 57). Over time, production moved – largely because of increased labor costs – first from northern Europe and northern America to the southern parts of Europe and the United States and later to Asia and countries in Eastern Europe.[4] Some manufacturers have upgraded from assembly production to "full package production," which means that they "develop the capability to interpret designs, make samples, source the needed inputs, monitor product quality, meet the buyer's price and guarantee on time-delivery" (Gereffi/Humphrey/Sturgeon 2005: 92). Upgrading can be seen as a form of vacancy chain process (White 1970), in which the functions remain the same but the firms are interchangeable (even internationally; see Palpacuer/Gibbon/Thomsen 2005; Gereffi 1999; Bair/Gereffi 2002). For manufacturers, the next step on the upgrading ladder is to develop brands of their own; this step is not studied here.

The global commodity/value chains school of thought has stressed how the economy – via production networks – is tied up in chains. The garment industry is discussed in

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4   The largest share of imports to the EU in 2004 (according to the WTO) came from China (13%) Turkey (8%), Romania (4%), Bangladesh (4%). Importation among EU countries represented 46% of total imports. Imports into the U.S. came from China (35%), Bangladesh (7%), the European Union (6%), India (6%), Mexico (5%) Hong Kong, China, (4%). The U.S. produced 9% domestically. In both cases, approximately 30 other exporting countries produced the rest of the garments, bringing the totals to 100%.

several studies (e.g., Gereffi 1994; 1999; Bair/Gereffi 2001; Gibbon 2001). Korzeniewicz (1994) uses this approach to analyze the commodity chain driven by Nike and emphasized that the chain must be understood in relation to the final market, where the symbolic values of commodities are determined.

Korzeniewicz's study indicates that a fashion designer must "understand" how commodities get their meaning. Garments are loaded with meaning in the interaction between final consumers and the retailer (or brand name), and this gives clothing a social value that differs considerably depending on where in the chain the object is located (e.g. Slater 2002: 71–73; Baudrillard [1976]1993: 88). In order to analyze the role of information and knowledge needed by a designer working for a manufacturer who caters to European fashion markets, we must first better understand the production process of the industry and the conditions facing manufacturers and their designers in developing countries.

4   Producing clothes

What happens in the final consumer market of a production chain has repercussions farther up the chain. Each retailer has an identity in the final consumer market and a corresponding market niche (White 2002). This identity specifies the kind of clothes the designer should make (i.e., trousers, pants, shirts), and how much they can cost.

The production process usually begins with design. Designers are inspired by many things and utilize information from fairs, catwalk shows, local street fashion, films, and music videos. They may also use trend analysts to gain information (see Slater/Tonkiss 2001: 176–181; McRobbie 1998). After the designers have created a line of clothes for the upcoming season, buyers take over and try to find manufacturers who can produce it. One manufacturer described this process from her perspective: "Most of the time the buyers have their own designers who work on their lines. So they bring us their sketches, and they see what we can offer them." The task of the manufacturer is to respond with a price, given the quantity, quality, fabrics, shipping, and lead time. This dialogue is often part of a relationship that has existed for years (see Lane/Probert 2006).

Although designers create much of what buyers then have manufacturers produce, some manufacturers also have their own fashion lines. Rarely do they sell their lines under their own labels. Instead, these lines are used to attract buyers and serve as an indication and proof of the production quality. One manufacturer explained that "[if the retailers'] designers … like some of our work, they can mold them according to their [company's] saleability. They take ideas from our showroom, from our collection, and make changes according to their collection, depending on what can sell." In other words, designers in developing countries contribute to the fashion line that retailers and others sell in de-

veloped countries. But this contribution is based to some extent on a "trial and error" process, in which the manufacturer gradually learns what a specific buyer wants, and does not represent general knowledge of the market to which its buyers cater. The next step in the process is to produce the garments. Finally, the items produced are shipped to stores, where they are sold.

5   Information and knowledge

In order to discover how to conceptualize the knowledge that designers need, I start by looking at the literature dealing with knowledge, a concept that must be distinguished from that of information. Alice Amsden (2001: 3) differentiates between them, arguing that information is factual, whereas knowledge is conceptual.[5] Amsden's approach suspends the assumption of perfect information. Given this, it is not far-fetched to also challenge the assumption of perfect knowledge, since knowledge is likely to be stratified (Schütz 1964: 120–134).[6] However, it is still not clear what knowledge is (see the discussion on skills in Schütz/Luckmann 1973 I: 106–107).

To address this question, I turn to three scholars who complement our understanding of knowledge: Anthony Giddens, Pierre Bourdieu, and Karin Knorr-Cetina. Giddens' notion of "practical consciousness," I argue, covers broadly the same ground as the notion of implicit knowledge.[7] Giddens defines this notion as "what actors know (believe) about social conditions, including especially the conditions of their own action, but cannot express discursively [verbally]" (1984: 375, cf. 328).[8] Implicit knowledge applies to "rules and tactics whereby daily social life is constituted and reconstituted over time and space" (Giddens 1984: 90).

Bourdieu's notions of habitus and practice, which are connected to his discussion of practical internalized knowledge, may take us a bit further. Bourdieu ([1972]1977: 2-3) contrasts practical knowledge with forms of theoretical knowledge and argues that the

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5   Some well-known scholars in this field seem to confuse information and knowledge (Gereffi/ Humphrey/Sturgeon 2005: 86).

6   A certain amount of knowledge will often be sufficient for the "purpose at hand," as Schütz puts it. We can, for example, drive a car without knowing how the engine works. An expert, for example, will have "opinions … based upon warranted assertions; his judgments are not mere guesswork or loose suppositions" (Schütz 1964: 122). In between these two extreme ideal types Schütz identifies the "well-informed citizen." These types represent different levels of knowledge.

7   It could be argued that the idea of practical knowledge originated with Aristotle *(Nichomachean Ethics)*. The literature on this field is abundant and not possible to review here (but see, for example, Rotenstreich 1977; Schatzki/Knorr Cetina/Savigny 2001; Shapiro/Wagner DeCew 1995).

8   MacKenzie and Spinardi (1995: 45) use the notions of implicit knowledge, non-explicit and non-codified knowledge as more or less exchangeable.

former is embodied in "habitus, which is constituted in practice" ([1980]1990: 52). However, he admits that the analysis of practice is complicated and has expressed dis-satisfaction with his accomplishment.[9] The idea of practical knowledge is suitable for an explanation of what designers do with their hands, and Bourdieu manages to include the influence of an actor's unconscious (Bourdieu and Wacquant [1992]2002: 128–129) as well as to discuss the important role of an actor's position in the game (e.g., Bourdieu [1992]1996: 21). Occasionally, researchers refer to embodied knowledge by using terms such as Fingerspitzengefühl, "gut-feeling," or "feel for the game" (Bourdieu [1980]1990: 66). While these terms give some idea as to what is going on, they also mystify and indi-vidualize knowledge through the references to the body. Bourdieu's idea covers the practice of design, but what about the knowledge that a designer needs? This latter type of knowledge, according to Bourdieu ([1980]1990: 66), is a result of the experience and exposure of habitus in a specific field. Consequently, both Giddens and Bourdieu are largely occupied with the type of knowledge that is embodied in and related to experi-ence but is hard to convey using language.

Knorr-Cetina has used the notion of knowledge in science studies. In her version, knowl-edge is no longer "seen as statements of scientific belief, as technological application, or perhaps intellectual property." Her definition "switches the emphasis to knowledge as practiced – within structures, processes, and environments that make up specific epis-temic settings" (1999: 8). Knorr-Cetina's notion points to a central aspect, namely the non-universal character of knowledge. Thus, information may be universal and not the most theoretically important aspect, especially if it is fairly easy to access (cf. Luhmann [1984]1995: 67).

The abovementioned views acknowledge the complexity of knowledge and reject the atomistic container view that knowledge can be transferred like physical objects; an idea that also dominates the literature on upgrading. Bourdieu hints at the role of ac-tors' positions for knowledge, but it is only Knorr-Cetina who focuses on the context, rather than the individual. To further the discussion, I introduce contextual knowledge as a theoretical concept.

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9   Bourdieu tells us what he thinks is needed to form a science of practical knowledge: "[O]ne would need to collect methodologically all the notes and observations which, dispersed here and there, especially in the didactics of these physical skills – sports, obviously, and more es-pecially the martial arts, but also theatrical activities and the playing of musical instruments" (Bourdieu [1997]2000: 144; see also [1980]1990, e.g.: 80–97, 269–270).

6   Contextual knowledge

Contextual knowledge represents a sociological approach that avoids both the Nietz-schean idea of consciousness as a tool of the body (e.g., "gut-feeling") and the Cartesian idea of the body as a tool of consciousness (i.e., pure intellectual knowledge). Instead, it focuses on the fact that knowledge must be related to social situations and condi-tions as suggested by Knorr-Cetina (cf. Hayek 1945: 521–522). Contextual knowledge, I claim, is only useful in certain contexts (or local "cultures") and is not something that can be transferred from one setting to another. This notion focuses on the conditions of knowledge rather than describing or defining knowledge.[10] The concept implies a further distinction between two elements: the lifeworld and the specific province of meaning.

The lifeworld refers to what people take for granted and do not question, such as ba-sic values, propositions, facts, and so on. The lifeworld is the everyday world in which people live with a natural attitude; it is "constantly pregiven" (Schütz [1932]1976: 74, [1966]1975: 5, 116–132). The socially produced lifeworld (Schütz [1966]1975: 119–120, 131; Berger/Luckmann [1966]1995: 13) is always the backdrop of the interpretations that people make (see Heidegger [1926]2001). This is to say that contextual knowledge has an interpretative component, in contrast to information, which is factual. My use of this concept implies that people can live in more or less different lifeworlds. Hence, contextual knowledge is bound to a specific lifeworld in most cases. Since not all people living in a lifeworld are able to predict what will be in vogue, contextual knowledge must contain something else.

The second element of contextual knowledge is the province of meaning. The informa-tion that designers use comes from different provinces of meaning and is ultimately in-terpreted by designers drawing on their lifeworld. Provinces of meaning have different cognitive styles. Schütz stresses the cognitive aspects because "it is our meaning of our experiences and not the ontological structure of the objects which constitutes reality" (1962: 230, see 1996: 36–38). Thus, Schütz argues that meaning is constructed in com-munities or domains (see Schütz/Luckmann 1973 I: 109ff.), which he calls "finite prov-inces of meaning" (Schütz 1962: 230–234). They are finite because there is no formula for transformation between them, such as "religion," "science," and "art."

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10   See also Haraway's ([1991]2004) notion of situated knowledge. Situated knowledge is used by feminist writers (e.g., Enslin 1994) but refers to epistemology and politics. Indigenous knowl-edge means "to make connections between local people's practices and understanding and those of outside researchers and development workers" (Sillitoe 1998:224) and is used to promote development. Geertz talks about local knowledge, which includes "sailing, gardening, politics and poetics" (1983: 167) as well as large-scale patterns of thinking such as religion (1983: 234). Geertz sees the law as an example of local knowledge; to have knowledge is to have "legal sensi-bility" (1983: 215). My point is that one needs knowledge to decode the social structure produc-ing fashion – this is not the equivalent to *knowing* the law.

7   Contextual knowledge in the fashion industry

In order to apply this theoretical concept to the analysis of garment designers, I first distinguish between information and knowledge. Is it not enough for manufacturers to be informed about the trends? No, the information flow between garment retailers and their manufacturers suggests that there are certain things that manufacturers located in developing countries cannot do. One manufacturer explained that buyers "help us [by telling us] what kind of product they are looking for," yet it is still not easy to turn this information into something that sells. Factory designers do not lack the skills to design, what they lack is the knowledge of what will make it in the market. As one manufacturer put it when talking about the designs produced by her firm: "if it doesn't sell – what's the point? They [the buyers] are in the market, they have to be there all the time, and decide what is going to sell and not."

Contextual knowledge is not easy to acquire, since it is a combination of the province of meaning and the more profound lifeworld. I would like to begin with the analysis of the province of meaning. Fashion can be seen as a province of meaning with its own logic and "cognitive style." In the world of fashion, knowledge of the specific province of meaning implies that the actor knows who the players are in her field of fashion, how fashion is diffused, who is wearing what and, above all, what this means for her market. This includes the designer's knowledge about the way fashion is constructed in her market (see Entwistle 2000: 208–236), and about the identity of her firm (i.e., the retailer she designs for) and the identities of competing retailers (see White 2002). She also knows what it takes to reinterpret an upcoming trend for her firm in order to make it different from her competitors' interpretations and their fashion lines.

Even if designers across the world have access to the same information about fabrics and color trends, they are not likely to interpret it in the same way (see Allen 2002: 44). I suggest that people who work as designers and who can draw on the same background as their customers have an advantage, since they "know" what their customers want. The designer can rely to some extent on her own preferences because she has the same meaning structure as her customers. As a result, she takes many and largely the same things for granted; she shares values, history, and similar things with others. This makes it more likely that she will perceive an object, such as a shirt, in a similar way that others will because she and her customers have been brought up in the same lifeworld. This knowledge, then, is based on their combination of a province of meaning (the fashion world) and the lifeworld of their home-market. I will study this empirically further on.

The fashion that matters to a manufacturer may be very local. A high-ranking executive of an Indian manufacturing firm that had Swedish customers said: "the trends come from Sweden." Although few would agree that fashion trends actually come from Sweden, this is the reality for designers who have their buyers in Sweden. Thus a designer in a developing country who is designing for a specific market in a developed country cannot design by simply following general fashion trends. While the markets are not totally

different, the differences are in many cases large enough to make buyers from different countries buy different things. Retailers may also differentiate their fashion line, not only between countries, but also between the stores within a country and even between stores in the same city. This indicates how hard it is to know the province of meaning, i.e., the fashion context, if one is located in a developing country.

The detailed knowledge of the province of meaning that retailers have is not easy to transfer into a codified form (see Entwistle 2006). As a result, it is difficult for manufacturers to make independent decisions on design-related issues. One manufacturer explained: "We cannot do it on our own, we do not know the market over there [and] what is going to sell." She therefore talked about her relation with buyers as "big teamwork," as a dialogue in which the buyer informs the manufacturing firm what she wants, but also provides feedback on the manufacturer's different samples. In this process, the manufacturer becomes attuned to the demands of the market (Tokatli/Eldener 2004) and can learn from the buyers.

It is important for a designer in this industry to have both the baseline of interpretation that the lifeworld provides and the knowledge of specific provinces of meaning. This, for example, was clear in a conversation I had with one buyer in India who represented a northern European firm where she had been based for several years. She was raised in the country where her company is based, which means that she shares the lifeworld with her customers. I asked her how she keeps up with fashion while she is in India. She said that it is hard to do, but told me that she reads a lot of fashion magazines and tries not to stay out of her home country for long periods of time. Thus, it is easier to lose contact with the concrete manifestation of the province of meaning in fashion than it is to lose contact with the more profound lifeworld. The key issue is that an actor can keep up with the province of meaning; her lifeworld remains essentially the same. I will now focus on the lifeworld.

The visual dimension (cf. Entwistle/Rocamora 2006: 742–745) shows the importance of the lifeworld in the role of contextual knowledge. Advertisements, movies, music videos, and the "look" of fashion garments are important dimensions of fashion, not as pure information, but as informational objects of interpretation. Understanding the meaning of a picture or seeing it in the same way that someone else does is a result of shared experiences, schooling, and other similarities; in short, what Schütz calls "growing old together" (1964: 161, 177). Consider the case of a designer dress worn by someone like Victoria Beckham or Madonna at the opening night of a show. The dress is highly praised in the fashion and gossip press and, as a result, may affect contemporary fashion. Still, specific interpretations of the dress differ among countries and among competing firms within countries. Again, people are more likely to interpret the meaning of the dress in a similar way when they have both a lifeworld and a province of meaning in common. This observation is supported by the fact that, to my knowledge, no buyers or designers are from production countries, even though the heads of retailers' buying offices may indeed be a local person. This indicates how difficult it is to per-

form tasks that are said to demand "gut-feeling," i.e., what I see as contextual knowledge drawing on the lifeworld.

Thus, the designer who is not embedded in the lifeworld of the market to which her firm caters will find it difficult to predict what will be in vogue. Manufacturers are usually aware of their problem, and one described what it takes to design for European markets: "One has to have IQ and an eye to see what people like; it must look nice." This person tended to see design as a capacity that one is either born with or not. Furthermore, he said that one must be able to know how to make a designed item fashionable, such as a shirt. This may not always be easy, and later in the interview he said, "some of the things that do sell in Europe … I do not understand. I don't like them." This manufacturer is neither in tune with the lifeworld nor the province of meaning of the market to which he caters, which means that he is not in a good position to upgrade his business by means of design. If the factory designers do not "understand" fashion in the same way as their buyers and the final customers do, they are essentially disqualified to design for this market.

8   Upgrading strategies

So far I have only indirectly discussed ways for manufacturers to upgrade. What strategies can manufacturers use to improve their situation? In many cases it is sufficient to gain this information once and then float along by staying up-to-date on the newest technology that suppliers are willing to sell. This approach, however, is insufficient for garment designers and firms in developing countries who want to sell their products to high-fashion retailers in the developed world. They must acquire knowledge about both cultural and more concrete fashion changes that take place in the markets to which they cater. This means, in other words, that they have to understand the market, almost as hermeneutical philosophers suggest (Gadamer ([1986]1989). Understanding is a process, and it is a good upgrading strategy to establish long-term relations with buyers.

What other strategies can be used? Manufacturers in developing countries may overcome some problems, such as the issue of contextual knowledge (see Schmitz/Knorringa 2000: 197), by hiring Western designers and seeking out various forms of joint venture. This is a way to upgrade by buying know-how from an expert culture (see Amsden 2001: 238–239, 271). The following quotation from a representative of a large European buyer suggests that this is what manufacturers do: "They all hire European designers. Either they send them concepts [that they develop together with the Western designer], or she [the designer] comes here two weeks or three weeks and builds up the whole line for them." In other words, this knowledge is so hard to generate within the organization that firms spend large sums to hire designers from the countries to which they normally cater. Other manufacturers think that there are some serious problems with hiring de-

signers because, "when we design a thing, the designer has to think about the merchantability – will it be possible to sell it to the masses?" The designer has to keep in mind, for example, the price range and the skills of the workforce, which in turn is translated into what the factory can produce and what fabrics can be used. These aspects, I was told, are not always of prime interest to foreign designers. This observation of an upgrading strategy supports the theoretical argument of this paper – that contextual knowledge is important and a real problem for many manufacturers. Although design is a solution for those who want to upgrade (Yoruk 2001: 13–14), it also adds yet another problem to those already facing garment manufacturers in developing countries (see Schmitz and Knorringa 2000: 202).

A different strategy for manufacturers is to target their home markets, thereby cutting many costs, including those for information and knowledge. A correlated strategy is to cater to neighboring or less advanced markets. Turkish firms have used this strategy with the help of a business organization. According to a representative of this organization, these firms have "very well-known brands in Russia or in [the] Ukraine … that we have not heard of." Marketing is often less costly in developing countries, and for some firms it may be a good way to learn the ropes of the industry in a less competitive environment. The precondition for this strategy to become successful is the existence of a large number of consumers, who also force manufacturers to be design-oriented. If this is the case, a manufacturer can upgrade by operating in a less competitive market. However, the lower demands in these markets means that these firms may not automatically meet the often higher demands from global buyers that force the manufacturing firm to increase the quality of its production process.

To have high-quality production is advantageous when a manufacturer faces other buyers. For example, the code of conduct that buyers enforce on their manufacturers may initially be seen, in the eyes of the manufacturers, as a burden. However, this may change over time, as expressed by the head of a manufacturing firm: "Now we realize the advantages, so it is not only that we are doing it because it is compulsory." Thus, the manufacturer's competitive edge is sharpened if the firm takes part in the global market competition. One solution is to learn from the global buyers and simultaneously develop a brand for the local market (Tokatli/Eledener 2004).

Another strategy is to succumb to copying. Since some garments have a short turnaround time, often as little as three to ten weeks, it is not easy to first go to the stores, copy an item, and then export it back to the same market in time to still make a profit. One buyer working for a retailer said that to succeed in the "fashion business, it is important that you have the goods at the right time; you have to be quick to catch the trains." Therefore, once the copying process is finished, the item may be out of fashion and one cannot get the same added value.

Globalization and emigration do offer one definite advantage that I have come across during my research: the manufacturer can use personal networks of countrymen who

live in Western countries as resource pools of middlemen in their business. With the help of these networks, it becomes possible to have contact persons who live in the final consumer market culture and can advise manufacturers. One Indian business-man living in Sweden was the representative of an Indian garment company owned by his brother, who lived in India. He attended trade fairs in Sweden, visited customers regularly, and thereby gradually became knowledgeable of the market and customers' demands. This knowledge can be used to design clothes that may sell well in the market. Another Indian I interviewed in New Delhi used a similar strategy. He had a business partner of Indian origin based in a Western country. From his very small "factory" in a residential area (which is illegal), he shipped low fashion garments to overseas customers. Manufacturers can use these kinds of connections and relations to the markets as a stepping-stone toward upgrading the firm by increasing the stylishness and hence the price of the garments.

Historically, upgrading has raised problems for globalized industries, and the state has a role to play in supporting firms in their endeavor to upgrade (see Amsden 2001). In addition to open sources of information, both firm-based and state-organized espionage have been utilized. Political strategies, such as organizing the suppliers and providing scholarships to students to study at well-known design schools in the West, have also been used by nations to improve the competitive advantage of their manufacturers in the global garment industry.

9   Discussion

The concept of contextual knowledge offers a way to conceptualize the gap between the final consumers and retail designers, on the one hand, and factory designers and the rest of the workforce in garment manufacturing firms in developing countries, on the other. To achieve upgrading, I think it is important to be aware that markets differ. By introducing the concept of contextual knowledge, I do not rely on explanations based on either "cultural difference" (the collectivistic fallacy) or designers' individual gifts and "gut-feelings" (the atomistic fallacy). I study what structures knowledge, rather than the embodiment of knowledge, or knowledge as an object. Contextual knowledge refers both to the lifeworld and the province of meaning. Hence, this phenomenologically grounded approach links the cultural, cognitive and social sides of knowledge and stresses its interpretative character. This approach to knowledge also draws on symbolic interactionism, because it is the combined effect of the individual, with her "knowledge," and the context in which the "knowledge" is credited that enable us to talk of knowledge.

The knowledge needed to design sellable fashion garments in a consumer market can be divided into two forms. The first is embodied knowledge: sewing, draping, and the

like. Moreover, the staff and the owner of a firm must know how to conduct business, both in terms of culture and in a technical production-oriented sense.[11] Although this practical and partly implicit (non-discursive) knowledge is a condition for operating in the market, it is not the most crucial aspect in the process of upgrading in the garment industry. The second form is contextual knowledge.

Knowing what kind of design will be in vogue is not easy for any actor in this industry. There are no standards to evaluate beforehand whether the product will sell in the market or not; only the market can tell. It is, put differently, more difficult to learn and transfer knowledge about designing successfully in the garment industry than in more standard technologies (see Gibbons et al. 1994: 119; Gereffi/Humphrey/Sturgeon 2005). In one sense, it is even harder than learning how to make an atomic bomb, to refer to the discussion by MacKenzie and Spinardi (1995).

Thus, garment manufacturers can learn about production techniques and business skills, but learning about design is much harder. This is very important since the role of design is a very significant one in this industry, one likely to become even more vital in the future as aesthetics become more important in contemporary global society (see Aspers 2001, 2005a; Lash 1994; Gronow 1997; Allen 2002: 41).

One may be able to accept all that has been said here and still argue that it is no more than a description of the traditional problems firms face when entering new markets. But let me again point out that the fashion garment market is not one in which hard facts about the products will convince the consumer to buy. We are dealing here with a problem of a qualitatively new dimension. Even if a firm has the capital to establish itself in a new consumer market, it still must also understand this market – a task that is time consuming and difficult if one uses one's own culturally embedded meaning structure to interpret what one observes. Viewed from this perspective, designing for the Other is merely one instance of the wider sociological problem of understanding the Other.

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11 Technologies like the Internet and computer-aided design and manufacturing (CAD/CAM) can facilitate the undertaking.

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