

Fashion Economics: FM 4339
Quiz #10 The US Textile Industry
Chapter (11 & 12)

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Rosen, E. I. (2002). *The Globalization of the U.S. Apparel Industry: Making Sweatshops*. University of California Press.

Please answer to the best of your knowledge the following essay question. Use detail where appropriate. Remember grammar, punctuation & spelling count.

- a. Throughout *Making Sweatshops*, Rosen discusses the development and progression of US textiles mills, manufacturing, along with retail. What is the significance of each of these: (1) textile mills, (2) the manufacturer, and (3) the retailer as part of the retailing pipeline? Choose textile mill, manufacturer or retailer and discuss how it has led to the reader's understanding of what a "Sweatshop" is today. Defend your answer with citation from the book along with another credible author on this topic. (2pts)

Textile mills is very significant to the retailing pipeline. These mills are part of the reason that fast fashion exists today. This is also the reasons for an excess of sweatshops across the nation including international retailing as well. "A textile mill is a manufacturing facility where different types of fibers such as yarn or fabric are produced and processed into usable plants" (Study, 2021). It allowed for the production process to be achieved a lot faster in order to produce for retailing purposes.

(n.d). *What is a Textile Factory & Mill?* Study. Retrieved on May 2, 2021 from <https://study.com/academy/lesson/what-is-a-textile-factory-mill.html>

Retail manufactures has its place in the retail pipeline as well. They are the reason for the products that are seen at the stores we shop in. They oversee raw materials, seek labor which leads to a finished product. The retailer also plays a huge role in the retailing pipeline. They are responsible for getting the product to their consumers. Creating an overall environment where their customers can see themselves in their clothing. They create a space where people can go and buy clothing according to their needs.

Textile mills has had a lot to do with "sweatshops" and how they are perceived by Rosen throughout the text as well as from others. A big part of sweatshops had to do with underpaid employees that worked at textile mills. There was. a big deal when it came to sweatshops wanting to pay their employees more which resulted in the move towards the

south and out of New York. This industry became so powerful and money hungry, the government got involved in order to benefit economically. The Federal tax law: “made it possible for textile companies to deduct the losses of an acquired company against the purchasing firm’s profits for at least two years” (Rosen, 2002, p.78, par.3). This aided in the poor working environments and didn’t allow the retail industry to change in the hopes that their employees would be safe and treated fairly. “As a result of industrialization, ordinary people found increased opportunities for employment in the new mills and factories, but these were often under strict working conditions with long hours of labor dominated by a pace set by machines” (Lumen, n.d). Textile mills aided in the U.S. economy and helped to compete with international trade but didn’t value their employees.

(n.d). *History of Western Civilization II*. Lumen Learning. Retrieved on May 2. 2021 from <https://courses.lumenlearning.com/suny-hccc-worldhistory2/chapter/labor-conditions/>

- b. Rosen discusses “Free Trade,” the end of quotas and tariff reductions. As noted several times in the book, trade policy for apparel has often been lead by political agendas. State (cite) a time in history when trade policy was in fact, affected by a country’s political agenda. How would trade change if negotiations were made to have US apparel made in sub-Saharan Africa. Give examples of issues that effect sub-Saharan Africa from the Diana Sawyer Interview. (2pts)

This was prevalent in Japan after WW11, trade policy was affected by the country's political agenda. Before the war Japan sold their goods to places such as: “British India, the Netherlands Indies, Korea, Manchuria, Egypt and other markets in Southeast Asia” (Rosen, 2002, p. 36, par.2). After their allies became their enemies trade policies in the U.S. changed. The U.S. opened up trade with Japan, in order to restore their economy. Trade would change if negotiations were made to have U.S. apparel made in Sub-Saharan Africa. There were: “Liabilities inherent in trade with African nations include the lack of infrastructure, such as roads, rail service and port facilities” (Rosen, 2002, p. 206, par. 1). Africa was underdeveloped and there was talk about them not having the right machinery to produce textile. This would have made trade a lot harder, more expensive and less efficient.

Rosen, E. I. (2002). The Globalization of the U.S. Apparel Industry: Making Sweatshops. University of California Press. (cont.)

- c. Why is China considered a major player in apparel production? How does artificially devaluing and inflating the Yuan help China? Give two examples, one where devaluing the Yuan and one where inflating the Yuan has created an advantage for China and has hurt the export/import country. Use a citation from Rosen along with a credible outside source to defend your answer. (2pts)

China is considered a major player in apparel production due to them: “Spending heavily on labor-saving, state-of-the-art technology, China began to bring its textile industry up to globally competitive standards. Its textile and apparel capacity became heavily concentrated and vertically integrated” (Rosen, 2002, p. 207, par. 5). There was a large number of Chinese exports that were coming into the U.S. Most of the products that are sold in the U.S. are made in China to this day. But there are efforts with company’s having good integrity to be sweatshop free.

Artificially devaluing and inflating the Yuan in China does have a lot of benefits. Essentially it allows China to make their own rules: “Currency devaluation is nothing new. From the European Union to developing nations, many countries have devalued their currency periodically to help cushion their economies” (Investopedia, 2020). This allowed for China to have a competitive advantage while also controlling trade.

There were a few instances where China did devalue their Yuan to better suite them. One was: “On August 11, 2015, the Peoples’s Back of China (PBOC) surprised markets with three consecutive devaluations of the Chinese yuan renminbi (CNY), knocking over 3% off its value. Since 2005, China’s currency had appreciated 33% against the U.S. dollar” (Investopedia, 2020). This was also down to appreciate the U.S. dollar whom they traded heavily with.

Investopedia (20 December 2020). *The Impact of China Devaluing the Yuan in 2015*. Investopedia. Retrieved on May 2, 2020 from <https://www.investopedia.com/trading/chinese-devaluation-yuan/>

There were also instances where China did inflate the Yuan to better suite themselves as well. “China began to peg the RMB to the dollar in 1994 at about 8.28 yuan (the base unit of the RMB) per dollar and kept the rate constant through July 2005, when, under pressure from its major trading partners, it moved to a managed peg system and began to allow the RMB to gradually appreciate over the next three years. In July 2008, China halted RMB appreciation because of the effects of the global economic crisis on China’s exporters” (EveryCRSReport, 2013). It seems that China inflated their currency in order to better suite their exporters.

(13 July 2013). *China’s Currency Policy: An Analysis of the Economic Issue*. EveryCRSReport. Retrieved on May 2, 2021, from <https://www.everycrsreport.com/reports/RS21625.html>

d. Women have been part of the apparel work force throughout its development that has transitioned into a global entity. Give two (2) examples in history when women’s wages were not of equal value to those work wages of another industry or her male counterpart. Please cite each reference. Describe how the Lowell Model has shed light on the difficulties of being a woman in a low-wage industry. (2pts)

Women were seen and still are seen as fragile, less intelligent, etc. So naturally apparel work were chosen for women. With this work they were paid less than other “manly” jobs were paid. This is very evident in the sweatshop industry where it mostly consisted of women and young children. This is also evident in every other industry as well. Daugherty emphasizes this: ““Many women and people of color are still segregated into a small number of jobs such as clerical, service workers, nurses, and teachers, ’the advocacy group National Committee on Pay Equity explained. ‘These jobs have historically been undervalued and continue to be underpaid to a large extent because of the gender and race of the people who hold them’” (Daugherty, 2021). There has always been evidence of the unequal pay women have faced throughout history. The gap of equal pay is even wider when talking about marginalized groups of women as well.

The Lowell Model has shed light on the difficulties of being a woman in a low-wage industry. Thomas Dublin states: ““Women worked some 73 hours each week, averaging 13 hours a day Monday-Friday and 8 hours on Saturday”” (Rosen, 2002, p.240, par. 3). Being that they were women they did earn a lot less than the men in their families as well. Although the pay was low, and the labor was intense. Most women were still able to earn a living and help support their families as well.

e. Discuss how the events of September 11, 2001 have effected international sourcing of apparel. Give at least two (2) examples. How has terrorism effected consumer consumption along with the US economy? (2pts).\

The events of September 11, 2021 has effected international sourcing. “According to one report ‘Major importers of apparel from Pakistan, which now finds itself a military hot spot, have withdrawn their contracts from Pakistan...They ended their contracts ‘largely on expectations that deliveries may be impossible because of US military action in neighboring Afghanistan’” (Rosen, 2002, p. 247, par. 3). A lot of well-known brands cut off business.

There was a fear of terrorism which: “Resulted on slowed consumption, which in turn has led to large layoffs of apparel workers in export-processing industries throughout the world” (Rosen, 2002, p. 248, par.1). Places that were prevalent in apparel work suffered the most. These places included Bangladesh, Pakistan and Mexico.