

Fashion Economics: FM 4339
Quiz #10 The US Textile Industry
Chapter (11 & 12)
Dr. Adomaitis
Antonella Di Graziano

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 a 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 a citation from the book along with another creditable author on this topic. (2pts)**

Textile mills played a big role in U.S. history. In the 1930s, a lot of mills still operated in America and provided important job opportunities, making people want to move to cities to work in them (Missouri State Parks, 2023). The jobs made up a big part of the country's economy. However, when labor laws became stricter in the U.S., companies began looking to other countries to run their mills. The government eventually passed new trade laws that helped businesses operate overseas. The Trade and Development Act (TDA) made it easier for U.S. textile companies to team up with businesses in Caribbean countries to set up textile factories there, causing producers in the region to start organizing full-service production operations (Rosen, 2002, pg. 207, par. 1). These policies made it easier and profitable for companies to export textile production abroad instead of keeping it in the United States. This change shows how stronger labor laws and union support in America helped businesses search for cheaper labor in other countries.

The manufacturing industry in the U.S. was once based in the Lower East Side, New York City. Between the late 1800s and early 1900s, many immigrants from Eastern Europe and Southern Italy moved to New York City and found work in clothing factories, making the neighborhood known for its role in production (Jewish Women's Archive, 2020). Textile mills and American factories began to decline because companies found it cheaper to hire workers overseas. Making products in East Asian countries was cheaper than making them in the United States. American companies partnered with Japanese factories to produce goods that were shipped back and sold in U.S. stores for just one

dollar, compared to similar blouses made in the U.S. that cost three to four times more. (Rosen, 2002, p. 103, par. 3). It made more sense to produce clothing abroad, although it led to job losses at home. As more companies moved their operations overseas, many American workers were left without jobs and struggled to find new ones.

Retail has changed tremendously over time, it looks very different from when the clothing industry first began to grow. Today, U.S. retail companies like Wal-Mart, the Gap, and Federated Department Stores, which control a lot of steps of the supply chain, have forced many small shops and even some big department stores to shut down. (Rosen, 2002, p. 177, par. 1). This shows how big retail chains have made it hard for family-owned businesses to survive. These small shops now struggle to keep up. Because most people shop online today, even physical stores are struggling to stay open. This changed how people shop and where they choose to spend their money. As big retailers grow and dominate the market, they influence fashion trends, pricing, and how quickly products are made and delivered to customers.

Sweatshops are where workers are paid very little, work long hours, and are exposed to unsafe working conditions (Smithsonian, 2023). A lot of people think sweatshops are outdated or only in poor countries, but they still exist today, even in the United States. Sweatshops in the U.S. are mostly found in states like New York, California, and Texas, but also exist in other big cities. These factories usually hire immigrant women, many of which work long hours in unsafe environments without the basic protections required by law, and they usually get paid less than minimum wage (Rosen, 2002, pg. 3, par. 3). Most clothing are made overseas, but sweatshops are still a problem in parts of the U.S. garment industry that remain. The workers do not speak out about their poor conditions because they are scared to lose their jobs or that they would face legal trouble with their immigration status. Sweatshops still existing shows the need for better labor laws and enforcement to protect workers.

- 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-Sarah Africa from the Diana Sawyer Interview. (2pts)**

In 1954, after WWII, the U.S. got involved in rebuilding Japan’s textile industry. Their main goal was to strengthen Western Europe and Japan to prevent the spread of communism (Rosen, 2002, p. 32, par. 1). The United States chose to help Japan because it was a prime location to stop the spread of communism, which was rising during the Cold War after the Soviet Union fell to communism. The U.S. picked Japan to help rebuild its industries. The United States wanted to rebuild Japan’s textile industry because they did not want to support industries that could be used for military purposes (Rosen,

2002, p. 28, par. 5). The textile industry was a safe industry for the U.S. to help build up because it was not threatening. The United States did not just want to help Japan, but saw this as a political strategy to gain influence in Asia. This helped create a strong partnership between the U.S. and Japan.

In the Diane Sawyer interview, she mentioned that Brad Pitt is involved in the ONE Campaign. Brad Pitt focuses on a national campaign called The ONE Campaign that tries to get Americans involved in helping reduce poverty and stop the spread of AIDS in Africa (Sawyer, 2008). It shows life in sub-Saharan Africa, where a lot of families live in poverty and children do not have basic opportunities. If the United States began making clothes in this region, it could help improve living conditions there. This is like what happened between the United States and Mexico with the rise of maquiladoras, which are factories owned by big companies where goods are made (Sternquist, 2007). A lot of Mexican families survived off the wages of these factories even though they were paid less than American wages. If this occurred in sub-Saharan Africa, it could have a similar effect of offering jobs and improving the lives of the people there.

- 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 a major country in apparel production because it makes a lot of textiles and clothing. China's exports of textiles, clothing, and accessories are worth around \$323.344 billion (Paryadath, 2023). The clothing industry plays a big role in China's economy. With 15 million people working in China's textile and apparel industry, it's clear how important this sector is to the country's economy and to the workers who depend on these jobs (Rosen, 2002, p. 215, par. 2). Some believe that the wages are too low, but it is a major reason as to why China is a strong competitor. A lot of companies want to do business there because they can make profits by paying workers less.

China lowering the value of its currency, the Yuan, gives it an edge in global trade. By lowering the Yuan's value, the Chinese government has been able to save a lot of foreign currency, boost the sale of its goods to other countries, and reduce the amount of products it buys from abroad (Rosen, 2002, p. 211, par. 1). China made its products cheaper for other countries to buy which helped grow its economy. This strategy helped boost Chinese exports while reducing how much they imported. This made China more attractive to international companies trying to save money on production. Many global businesses choose to manufacture their products in China, strengthening the country's role in the world economy.

When China lowered the value of its currency, it helped exports but also had some negative effects. China's luxury market is expected to shrink by 4% this year because

shoppers are careful with their money, being that the Yuan does not have a lot of value, it harder for Chinese consumers to afford expensive items (Fong, 2015). The average person in China cannot buy a lot with their money as they could before. People but back on non-essential spending, such as luxury items. Rather, they chose to save money and spend on basic necessities.

- 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)**

The Triangle Shirtwaist Factory fire in New York City sparked a change for women who worked in the clothing industry. The International Ladies' Garment Workers' Union (ILGWU) became active and fought for better treatment of women. It was not until the New Deal and the economic growth after World War II that the International Ladies' Garment Workers' Union became powerful. Women working in sewing jobs, who were often part of this union, started getting paid better, had paid time off, health benefits, and unemployment insurance when there was less work (Rosen, 2002, P.1, Par 2). Before this, women in the apparel industry were mistreated and did not receive the same rights as men. The ILGWU used the tragedy as a way to fight for better working conditions for women.

In the 1950s, runaway shops became more common. Since most workers in the textile and apparel industry were women, runaway shops mostly affected them. A runaway shop is when a factory moves to a new location with little or no warning to not unionization and follow labor laws (Merriam-Webster, 2023). This became common when northern states put stricter labor laws and unionization into effect. The International Ladies' Garment Workers' Union stepped in to help the workers. The ILGWU negotiated with manufacturers to ensure women were treated fairly. A deal was reached where the employer agreed to pay a large fine to the union instead of following the original labor agreement (Rosen, 2002, p. 101, par. 2). The ILGWU was able to support the women, but there was a lot of other situation where women lost their jobs because runaway shops did not unionize.

The Lowell Model was a production system that was designed so that the steps of manufacturing happened at one location, young women were the main workers rather than men and children (Brooks, 2017). The young women earned money, but the conditions in which they worked were unfair and unethical. Women worked around 73 hours every week, with a 13-hour shift from Monday-Friday and 8 hours on Saturday, their days began when the sun came up and ended around 7-7:30 p.m., and only received 30 minutes to eat (Rosen, 2002, pg. 240, par. 2). It was unfair and only benefitted the

owners. The Lowell Model targeted young women who needed work and it was easy for the factory owners to take advantage of them.

- 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 September 11, 2001 terrorist attack affected the global sourcing of textiles and apparel a lot, especially in Pakistan's relationship with countries such as the United States. Pakistan asked the U.S. for better trade deals, such as higher export limits and lower taxes on clothes in June of 2001. After the September 11 attack, the United States and European Union eased trade rules to help Pakistan recover from the impact on its exports, but by October, the news states that big American clothing businesses canceled their contracts with Pakistani factories (Rosen, 2002, pg. 247, par. 2). After the attack on the twin towers, the United States and European Union became hesitant to trade with and support Pakistan's economy. The cancellation of contracts between Pakistan and other countries was a result of the terrorist events on the twin towers.

September 11, 2001 had a negative effect on poor countries and their ability to rely on the apparel industry. After the economy struggle in 2001 and the September 11 terrorist attacks, it became less likely that the apparel industry could help poor countries grow their economies or continue to support the women who work in it (Rosen, 2002, pg. 247, par. 2). The economic damage caused by 9/11 led to widespread financial struggles around the world. This was not just a problem for the United States but affected economies and markets globally. Women working in the apparel industry were the ones who suffered the most. The apparel market slowed down and consumer spending dropped, therefore, a lot of female workers lost their jobs and their countries struggled to keep their economies from collapsing.

Terrorism had a big effect on consumer spending, and after 9/11. Consumer spending dropped a lot, which affected the U.S. economy. People became afraid after the attacks, which caused them to spend less money, and a lot of workers in clothing factories around the world lost their jobs (Rosen, 2002, pg. 248, par. 1). Terrorism triggered economic problems in the United States. After the attacks in New York City, people spent less money, which caused businesses to cut jobs due to reduced sales. Naturally, this affected the economy, as less spending and higher unemployment led to a recession.

References

- Brooks, Beatrice Rebecca. (January 25, 2017). "What Was the Lowell System?" History of Massachusetts.
<https://historyofmassachusetts.org/lowell-mills-factory-system/#:~:text=The%20Lowell%20System%20was%20a,of%20children%20or%20young%20men>.
- Fong, April. (August 13, 2015). "Five Winner and Losers from China's Yuan Devaluation." Financial Post.
<https://financialpost.com/investing/global-investor/five-winners-and-losers-from-chinas-yuan-devaluation>
- Jewish Women's Archive. (2020). "Lower East Side Tenements." The JWA.
<https://jwa.org/triangle/map/lower-east-side-tenements>
- Miriam-Webster. (2023). "Runaway Shop." Miriam-Webster Online.
<https://www.merriam-webster.com/dictionary/runaway%20shop>
- Missouri State Parks. (2023). "Textile Mills and Daily Life in America at Watkins Woolen Mill State Historic Site." Missouri State Parks.
<https://mostateparks.com/page/55168/textile-mills-and-daily-life-america#:~:text=The%20ofactories%20provided%20a%20wide,that%20grew%20up%20around%20them>.
- Paryadath, Arun. (January 24, 2023). "China's Textiles & Apparel Exports Grow 2.53% to \$323 bn in 2022." Fibre2Fashion.
<https://www.fibre2fashion.com/news/textile-news/china-s-textiles-apparel-exports-grow-2-53-to-323-bn-in-2022--285383-newsdetails.htm#:~:text=China's%20textile%20exports%20including%20yarn,compared%20to%20the%20previous%20year>.
- Rosen, E. I. (2002). *The Globalization of the U.S. Apparel Industry: Making Sweatshops*. University of California Press.
- Sawyer, Diane. (June 8, 2005). "Brad Pitt Gives a Glimpse Into His Future." ABC News.
<https://abcnews.go.com/Primetime/Entertainment/story?id=828811&page=1>
- Smithsonian. (2023). "What is a Sweatshop?" National Museum of American History:
Behring Center. <https://americanhistory.si.edu/sweatshops/history>
- Sternquist, Brenda. (2007). *International Retailing: Second Edition*. Fairchild Press.