

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)**

Throughout history, the industry of textile mills, manufacturers, and retailers have assisted the economy in many ways, especially by creating job opportunities for the unemployed. The significance of the retailing pipeline is that it has assisted in rebuilding the infrastructure of the economy. In fact, due to the competition for inexpensive goods increasing, the United States seeks opportunities to endow underdeveloped countries to improve their economies and trade relationships with other countries. The United States then had used trade liberalization, to be able to partner with other countries in Eastern Asian and southern countries. To prevent the spread of communism from occurring in those regions. Although there are many cons about the textile mills, manufacturers, and retailers employing people in terrible working conditions for low wages, in all they have assisted in employing thousands of people and repaired the economy's structure.

One example of textile mills described as a "Sweatshop" in the book is Lowell Model, located in Massachusetts. During the period of textile mills, many sought to advance the economy by creating more job opportunities. However, as more textile mills commence to open more competition raises awareness and lowered wages for many workers. The

detrimental effects of the textile mills define the word “Sweatshop” because employees had to work absurdly long hours in harsh conditions. Lowell Model is a significant example of employees having to work long hours with no breaks and “wages and working conditions deteriorated.” (Rosen, 2002, p.241, par.1). For instance, another example where workers were forced to work in dreadful conditions with little to no pay was in Xinjiang China. According to an article by Kossoff (2020), “roughly one in five cotton garments sold around the world contain yarn from Xinjiang” in other words, the greater population are Uighur Muslims, who were mandated into labor concentration camps by the Chinese government.

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)

Throughout the book, trade policy was mentioned on numerous occasions that commenced in political agendas. Rosen frequently mentioned how the United States designed a trade policy with underdeveloped countries during the Cold War to prevent the spread of communism. Since communism was a ubiquitous threat to many countries, the United States in return formed a trade policy to partner with other countries to prevent them from seeking aid from other communist countries. According to Rosen, the United States had to “pursue a policy of communist containment legitimated reciprocal trade and pressed for the U.S markets to East Asia.”(Rosen, 2002, p.110, par.1). To prevent the spread of communism from continuing to occur in Asian countries, the United States had opened its trade market to Asia to improve its trade infrastructure. Rosen also mentioned that “many unstable and corrupt governments and lack of infrastructures and a large portion of the African population afflicted with AIDS are also seen as barriers to development.”(Rosen, 2002, p.206, par.1). Nevertheless, the deficiency of infrastructure and corrupt government could stop the United States from trading with Sub-saharan Africa due to the poverty level Africa was in. Since at the time being they could not afford imports from the United States. Furthermore, in the Diane Sawyer interview with Jerry Rawlings, Rawlings discusses how he had sought assistance from other countries to advance Africa by receiving aid from more developed countries. He also mentioned that the support was only enough to uplift Africa from poverty, not for Africa to become a developed country. In all, if Africa declined orders from the supporting country, they then in return would have no aid with the country any

longer.

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 because they invest their capital in “labor-saving and state of the art technology.” (Rosen, 2002, p.207, par.4). A result of China investing to advance the quality and time consumption of their products has made China become a significant player in apparel production. Over time Chinese production has enlarged due to their latest technologies that we're able to produce vast quantities of goods. In other countries, this would be sought as a threat due to controlling portions of exports in apparel production. Rosen mentions, “China would triple the existing levels of the U.S imports of Chinese textiles and apparel with the entry into WTO in 2005.” (Rosen, 2002, p. 210, par.1).

The devaluing of the Yuan can assist the country by captivating more international investors to trade in global exports. For instance, Rosen mentions that “ by devaluing its currency, the Chinese government has been able to amass large foreign exchange.”(Rosen, 2002, p.211, par.1). Devaluing its currency would allow China to be able to export more goods to the United States and import less since the currency is decrepit. (McDowell, 2010). In other words, China utilizes its devalued currency to export more instead of importing goods to advance China's economy. McDowell mentioned that, by keeping yuan undervalued, China improves their export globally.”(McDowell, 2010). One last example of China inflating the Yuan is by understanding that it would be the strongest currencies in the world and Euro. Yuan would assist in improving currencies in other countries. According to an article by Cheng, the benefit of Yuan inflating investments around different regions of the world would assist in “more global assets will be held in yuan.” (Cheng, 2020).

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)

One example in history when women's wages were not equal value to those work wages of another industry of her counterpart is when women were being compensated less from other countries. Women did not receive the same credibility as men while being full-time mothers and having full-time jobs. There are many cases where women are not equally paid the same as men due to their gender. One example of unequal labor forces is the following: women stood for "58% of the labor forces in 2012 but still made 77 cents for every dollar a man-made. (Alter, 2015). In addition, even with certain laws and regulations being passed that mandated women to receive the same equal pay as men, women still were getting paid less. Major industries also refused to hire women for specific positions due to their gender. One last example of the wage gap occurring is when Lilly Ledbetter sought to sue her company "Goodyear", after realizing that for the past 19 years she was getting compensated less than her male co-workers. According to the article, it explained that "Mrs.Ledbetter should have filed her suit within 180 days of the first unequal paycheck." (Salam, 2019). Women were not only compensated less but were also treated and paid poorly in the apparel industry, film industry, and even government affiliations.

Lowell Model has shed light on the differences of being a woman in a low-wage industry by discussing the harsh conditions that women had to endure while working. At a young age, teenage girls would be forced to work in the apparel industry in Lowell and Lawrence Massachusetts before getting married. These young women worked dreadful hours in poor conditions. In fact, according to Rosen, these working conditions were considered to be "exploitative and socially unacceptable". (Rosen, 2002, p. 240, par.3). Only the "farm girls" earned more profit from other industries but had to deal with detrimental work conditions. However, with an increase of competition, "Lowell mill girls organized a protest against their employers". (Rosen, 2002, p.241, par.1). These women suffered tremendously while competition arose in the apparel industry. In all, the protest had shed light on the dreadful conditions women were faced to work with daily.

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).

Due to the tragedy of September 11, 2001, the United States had to declare war on Afghanistan since many lives were lost that day due to a terrorist attack that occurred in the United States' homeland. This resulted in the United States shifting its direction from Pakistan to now other countries due to the proximity of Afghanistan to Pakistan. As a result,

many apparel industries diminished their contracts with manufacturers in Pakistan due to the “expectation of deliveries may be impossible” (Rosen, 2002, p.247, par.2).

Terrorism has affected consumer consumption along with the United States since many people had lost their jobs around the world. Due to the fear of terrorism occurring in other countries many people in Mexico, Bangladesh and Pakistan had lost their jobs. In fact, according to Rosen, Mexico had more than 200,000 people who lost their maquiladoras jobs, Pakistan had about 68,500 workers who had lost their jobs. (Rosen, 2002, p.248, par.1). Nevertheless, with all these job losses around the world, the United States corporations had also been enduring “heavy losses, nearly \$17 million in the second quarter of 2001.” (Rosen, 2002, p.248, par.2.) Overall this is a prime example of how the United States industries sought a decline in consumers shopping, due to the fear of another terrorist attack commencing.

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