

**BUF 4300: Global Sourcing & International Trade**  
**Midterm Essay Exam Timed Exam**  
**Dr. Adomaitis**

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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. Please remember paragraph structure for each answer. Remember grammar, punctuation & spelling count. Cite using APA formatting when using citations. Over cited papers will lose points as this exam is to validate your opinions with citations not to cite several sources to defend an opinion. I want to know your opinion based on the reading, discussions and articles. (75pts each). Please add references of outside sources including Rosen. Matching should be less than 20% using you own words and re-writing quiz answers showing a clear understanding of the Rosen text and all quizzes review in class in details. Questions must be left on the answer sheet.**

Essay #1

- a. How did the defeat of the French at *Dien Bien Phu* alter U.S. foreign policy in regards to textiles and apparel trade in Southeast Asia? Defend your answer with **two citations from Rosen**. How did the both, (1) *Korean War* and (2) the Vietnam War both alter American opinions about the Vietnam? **Please cite an outside source in addition to Rosen.**

The defeat of the French at Dien Bien Phu altered U.S foreign policy in regard to textiles and apparel trade in Southeast Asia because the spread of communism led to the extension of the Reciprocal Trade Act (Rosen, 2002, p. 64, par. 4). Rosen (2002) also mentions “Dan Reed, the powerful protectionist chair of the House Ways and Means Committee... after he had vigorously opposed the bill, the fear of communism influenced him to reverse his position. He then asked the House to support, rather than oppose” (p. 65, par. 1). At this time, the U.S. priority was to contain communism as it was happening and no longer a fear.

The Korean War and the Vietnam War had different impacts on American opinions about war and foreign policy. According to Rosen (2002), “the Vietnam War led to rising prices, sluggish growth and stagnating wages” (p. 113, par. 2). Rosen (2002) also

mentions how the Korean War created an exporting boost for both Japanese textiles and industrial products (p. 39, par. 2). The American opinions that can arise after both wars is that the U.S. shouldn't have engaged in the war because it had a negative effect both domestically and internationally.

- b.** Was there a true threat communism in East Asia? Defend your answer with an understanding of both the defeat at the 38<sup>rd</sup> parallel in the Korean War in the 1950s and the Vietnam War in the 1960s and 1970s. How did this have an impact of the (1) *Hong Kong*, (2) *South Korea*, and (3) *Taiwan*? How did it assist in the globalization of retailing? Defend your answer with *one citation from Rosen and one (1) outside source to support your opinion. (Remember APA in-text citation).*

There was a true threat of communism in East Asia. China was overturned by Communist forces and this forced the U.S. to stop their relationship with China and put Japan as their main priority. The U.S. plan was to rebuild Japan and have the country promote democracy with economic and military support from the U.S. This plan was executed by Douglas MacArthur and SCAP which was led by MacArthur (Rosen, 2002, p. 32 & 33, par. 1 & 3).

The threat of communism had an impact on Hong Kong, South Korea, and Taiwan because the U.S. aided these three countries. The U.S. provided military aid to South Korea and Taiwan to fight off communism and provided financial and economic support to their military (Rosen, 2002, p. 43, par. 3). The U.S. did this because the U.S. did not want to occupy both countries like it did with Japan. The U.S. also provided military aid to Hong Kong (Rosen, 2002, p. 43, par. 3).

The threat of communism assisted in the globalization of retailing because it created new opportunities for Hong Kong, Taiwan, and South Korea. According to Rosen (2002) it states "Reduced import tariffs encouraged entrepreneurs to contract out production of low-wage and low-cost apparel in duty-free production sites abroad. Clothing could be made in Hong Kong or Taiwan at a fraction of the labor costs that heavily unionized shops were demanding at home" (p. 49 & 50, par. 4 & 1).

## Essay #2

- a. After reading Chapters 1-4 in Rosen's Globalization of Apparel and Textiles book, it is apparent that most apparel sweatshops came into existence in countries located in the Pacific Rim. Sternquist mentions four (4) stages and Allen from Second Hand Distribution mentions (5) stages in the Growth of Retail or Retail Stages. *When the U.S. was analyzing the cotton industry*, what retail stage was the U.S. in and Japanese cotton industry *in right after WWII*? Explain your answer in detail with the understanding of Sternquist and lecture notes PP #6 as reviewed in detail in class.

The retail stage the U.S and Japan were in right after WWII was *stage four, Drive to Maturity*. Stage four mentions “well-established supermarkets” and “coexistence of informal and formal retailing (Sternquist, 1998)”. Both nations were developed but the U.S. further developed Japan since the U.S. occupied Japan. This made both countries well developed and practice formal and informal retailing with the use of low wage woman employees (Rosen, 2002, p. 71, par. 4). Both countries had passed the third stage because both countries had expanded into other industries and markets.

- b. Give **three (3) reasons** why the U.S. chose the cotton industry to rebuild Japan. Give two (2) citations from Rosen to defend you answer. How can technology (Analyze the Industry (Allen/Lecture 2) help sustain the cotton industry? Give at ***least two (2) reasons.***

One reason the U.S. chose the cotton industry to rebuild Japan was the U.S had a surplus amount of cotton and gave it to Japan to rebuild the country. Another reason was silk exports, which was Japan’s top exporting textile, faced a dramatic decline which caused Japan to export another textile (Rosen, 2002, p. 29, par. 3). A third reason was the machinery used to produce silk was outdated and expensive which was an incentive for the U.S. to make Japan switch to cotton (Rosen, 2002, p. 29. Par. 3).

One reason technology can help sustain the cotton industry is creating advanced machinery to keep up with competitors. According to Rosen (2002) she states, “purchase new technology and employ low-wage labor, U.S. textile producers inevitably perceived a serious difficulty in remaining competitive, given that 65 percent of the textile machinery used by domestic producers had been made obsolete by new technology” (p. 49, par. 3). Another reason is it will help counter economic threats. According to Rosen (2002) she states, “U.S. subsidies of foreign aid, modern technology, cheap cotton, and, by the mid-1950s, annual tariff reductions all meant that imported Japanese goods could be sold in the United States at bargain-basement prices” (p. 87, par. 2).

- c. Explain why sweatshops exist in the U.S. which is a country in the G 8 and is considered to have well-developed retailing practices. ***Why do we have sweatshops in New York, Texas, and California? Defend your answer. Be sure to answer is paragraph form.***

## References

Sternquist, B. (1998), *International Retailing*, Fairchild Publications, New York, NY.