

Technology Entrepreneurship: HDCS 4370

Quiz #7: The US Textile Industry

Chapters 8

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a).Where was the “second act” of trade liberalization played out? What countries did it include (Look at a map)? How did Reaganomics include these countries in foreign affairs? What was their relationship? (2 pts)

The second act of trade liberalization took place in Latin America, more specifically countries in the Caribbean, Central America and Mexico (Rosen, 2002, p.129, para 1). This included countries such as Brazil, Columbia, Venezuela and Honduras. Reaganomics included these countries in foreign affairs by vastly producing apparel there in the mid 1980’s (Rosen, 2002, p.129, para 1).

The United States and Latin America shared an economic relationship that traditionally incorporated trade and investment patterns, an area Latin America has suffered from economically (Rosen, 2002, p.130, para 2). Latin America produced commodities for export to the United States and the United States exported capital to the region and manufactured goods (Rosen, 2002, p.130, para 2). This has made Latin American countries economically and politically dependent on the economy and government of the United States. These economists legitimated the interests of the textile and apparel producers and retailers and the trade agenda of the Reagan administration (Rosen, 2002, p.142, para 2).

b).What was occurring in Central America? How could history been repeating itself? How do you think the U.S. would respond to the crisis in Central America? (2pts)

U.S. apparel manufacturers had begun to produce apparel in Central America rapidly(Rosen, 2002, p.129, para 1). Civil wars and communist revolutions after WWII began happening in Central America. This caused several economical changes in several countries. When Reagan entered the White House in 1981 he saw a new communist threat in the Caribbean and Central America (Rosen, 2002, p.129, para 2). In the early 1980s Reagan’s anticommunist and free trade agendas generated an effort to restructure the economies of Central America and the Caribbean countries (Rosen, 2002, p.151, para 5). The U.S. government provided about \$16.8 billion in bilateral aid between 1980 and 1992 to selected countries of Central America and the Caribbean for military aid, balance of payments aid, and aid for economic development (Rosen, 2002, p.132, line 6). I think if the US was in this situation they would also try to find a country that would support and help rebuild it.

c). Please research and bring to class two examples of military, political, or economic affairs that occurred in the Caribbean or Central America between 1953 and 1985. Make sure your examples are from credible sources. Why did I ask you to research events in this region? How does it pertain to the chapter entitled, “*The Reagan Revolution*”? (2pts)

One example of a political/military affair that occurred in the Caribbean or Central America between 1953 and 1985 was the Guatemalan Civil War. It occurred between 1960 and 1996 (McDonnell, 2018). It was fought between the Mayas and Guatemalan government. During the war more than 200,000 people were tortured, kidnapped and executed (McDonnell, 2018). Military forces launched a massive counterinsurgency against specific groups (McDonnell, 2018). A report by a United Nations-backed truth commission found that military forces had used “multiple acts of savagery” and genocide against Maya communities (2018). The Guatemalan government was responsible for over 90% of deaths, disappearances and other human rights violations during the war which included bombing villages; burning people alive; severing limbs; throwing children into pits filled with bodies and killing them etc. (2018). In 1983 the Reagan administration lifted the embargo on arms sales to Guatemala which allowed the country to obtain equipment and parts for helicopters and fixed-wing aircraft, etc., for its counterinsurgency efforts.

Another example of an affair that occurred in the Caribbean or Central America between 1953 and 1985 was the Salvadoran Civil War. This took place from October 15th, 1979 and January 16th 1992 and was fought by the military government of El Salvador and the Farabundo Martí National Liberation Front. The relationship between the military and the country’s propertied elite shifted completely during and after this war. The United States played a huge role in this affair after Ronald Reagan’s inauguration as president (Schultze-Kraft & Varela, 2020). The United States supplied El Salvador with financial aid totaling upwards to \$4 billion; assumed responsibility for the organization and training of elite military units; provided weaponry, particularly helicopters; and used its influence in several ways to guide the political fortunes of El Salvador (Schultze-Kraft & Varela, 2020). One of the war’s major results was the military’s loss of a monopoly.

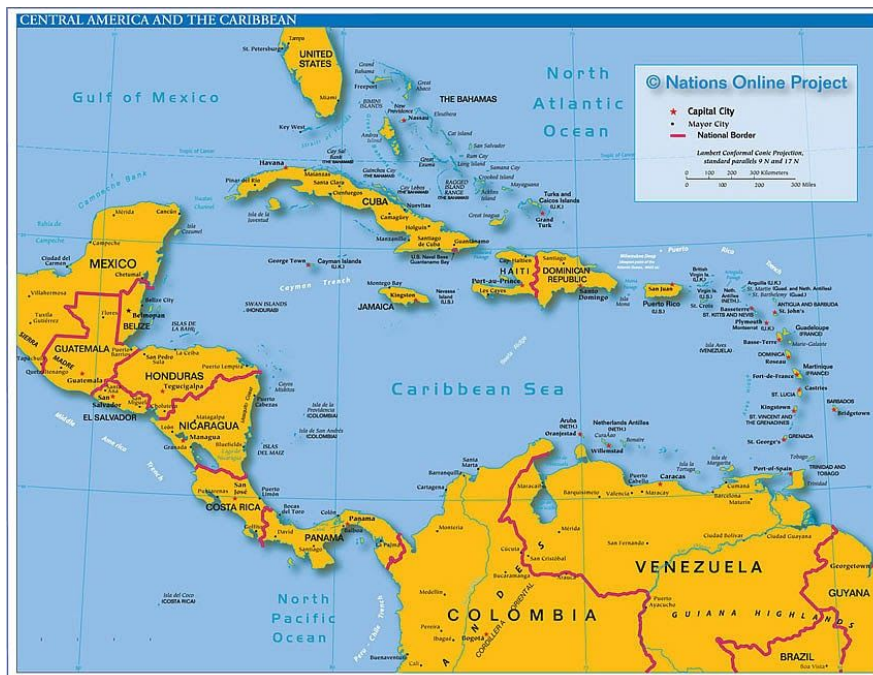
You asked to research events in this region because this was where trade liberalization took place. This was also where the CBI came into effect January 1, 1984. The chapter explains that the CBI provided tariff and trade benefits to many Central American and Caribbean countries.

d). Define CBI? What was their economic status? What was the purpose of developing programs that would support new business opportunities in the Caribbean? (2pts)

CBI is the Caribbean Basin Initiative, also officially known as the Caribbean Basin Economic Recovery Act (Rosen, 2002, p.129, para 2). It was a trade and investment program that was designed to promote economic development and political stability regionally and to check the spread of Soviet-Cuban influence in the Americas (Rosen, 2002, p.129, para 2). The CBI helped establish a dependent integration through a new trade and investment regime

between the United States and the region's countries (Rosen, 2002, p.133, line 7). Due to this the United States continued to profit at the stake of less developed countries (Rosen, 2002, p.133, line 7). The purpose of developing programs that would support new business opportunities in the Caribbean was to promote United States investment in the Caribbean Basin and help beneficiary countries participate in international agricultural trade (Rosen, 2002, p.134, para 2).

e). Print out a map of the Caribbean and Central America? (2pts)



[Photograph of Central America and the Caribbean]. (2020). Retrieved from https://www.nationsonline.org/oneworld/map/central_america_map.htm

References

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