

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

**Emmanuel Koko**

**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 in your answers to show comprehension of the Rosen text.* Remember grammar, punctuation & spelling count. Cite using APA formatting when using citations. Add references and/or LINKS to outside sources. *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. (50 pts each).

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 Vietnam alter American opinions about the war? Important to American history? *Please cite a source outside of Rosen.***

The loss that the French took in the Dien Bien Phu war against Vietnam communism altered the United States's foreign policy pertaining apparel and textile trade in Southeast Asia by extending the TAA. "The agreement also contained a number of protectionist features broadening the conditions under which American industry could seek relief from foreign imports, and it limited the extensive tariff reductions Eisenhower had hoped to enact (Rosen, 2002, p.41, par.16)". This agreement which was overseen by President Eisenhower was somewhat of an impulse decision because of the pivotal defeat of the French. The end goal of this agreement was to cut circulation of communist nations providing resources to U.S allies such as Japan. This was expressed in a speech from Undersecretary Murphy. "In the Pacific the Communists have three current objectives. They are (1)the man power of China; (2) the industrial capacity of Japan; and (3) the resources of Southeast Asia (Rosen, 2002, p.62, par. 1)".

Vietnam altered American opinions about the war . The defeat of the French emphasized how strong communism was at the time and its potential to neutralize and spread across nations. In retrospect both the Unites States and French aimed to contain and diminish communism. There was not a prominent enemy that posed such a threat to either nations until Vietnam defeated France. " Conceptually, the French, like many

Americans during the subsequent Vietnam War, were never clear who their enemies were (Yu, 2017)". Overall, Dien Bien Phu led to the U.S.'s tunnel vision toward Vietnam for over two decades. Within these decades the Vietnam War commenced. "However, a second Indochina war would begin in 1956 which would include American forces and would eventually escalate into the Vietnam War (Dee, 2014)".

This is significant to U.S. history because a lot of time, money, and international relationships were tested after the French were defeated.

**b. Was there a true threat to communism in East Asia? Defend your answer with an understanding of both the defeat at the 33<sup>rd</sup> parallel in the Korean War in the 1950s and the Vietnam War in the 1960s and 1970s. Be sure to explain both the Korean war and Vietnam war).**

There was no true threat to communism in East Asia. Despite the United States losing the Vietnam War and the division of Korea, communism failed to spread to other regions. Vietnam and Korea already had traces of communist ideology, the only thing that changed post war were the regions that actually became communist. Vietnam was fighting for independence rather than to practice communism at a larger scale. "In the end, even though the American effort to block a communist takeover failed, and North Vietnamese forces marched into Saigon in 1975, communism did not spread throughout the rest of Southeast Asia (Onion, 2021)". The Korean War displaced communism rather than sparking its growth.

**How did this have an impact on the Hong Kong, South Korea, and Taiwan? How did it assist in the globalization of retailing? Defend your answer with one citation from Rosen and one outside source to support your opinion. (Remember APA citation).**

This impacted Hong Kong, South Korea, and Taiwan in different ways. South Korea focused on generating profits pertaining to retailing domestically. Hong Kong then aimed to expose their exporters to the U.S. trading infrastructure. Lastly, Taiwan focused on ways to attract investment opportunities from other nations. This would help generate enough capital to sustain efficiency and profitability with industrial powerhouses. One of the methods used to attract these investments was to implement duty-free export zones, eliminating the extra cost to do business. "In Taiwan the government began to subsidize production of textiles and, particularly, apparel for export by offering tax rebates to entrepreneurs. The government also built duty-free export-processing zones to encourage foreign investment in garment assembly (Rosen, 2002, p.47, par 3)".

- 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 after WWII?**

When the U.S began to thoroughly analyze the nature of the cotton industry, they were in The Drive to Maturity Stage. The characteristics of The Drive to Maturity align with The United States's economic and social composer at the time. After World War II, the U.S found it appropriate to begin developing a consistent form of industrialized production. Although domestic industrial activities were already in play, they sought to help Japan rebuild theirs. This agricultural pursuit gradually caught fire and became efficient despite mild struggles in the beginning. One significant characteristic the U.S displayed were their interest to not only progress Japanese trade but sustain their progress overtime.

Japan however was in Stage 2, The Pre- Conditions for the Take-off. Japan had just lost the war, so obtaining resources to rebuild their nation was a reassuring issue until the United States grew fond of their prolonged potential trading wise. Japan could not really negotiate any terms because as a defeated nation, they had so little to either withhold or provide in terms of resources and opportunities,

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

One reason why the U.S chose the cotton industry to replenish Japan's industrial infrastructure because raw cotton generally made Japan most profitable pre-war. "Washington policymakers encouraged by the rapid rehabilitation of the once mighty Japanese cotton textile industry "Rosen, 2002, p.35, par 9)". The cotton textile industry was most prominent in the country.

The United States also produced raw cotton, so replenishing the industry would create a great convince for them if anything were to go wrong domestically. The U.S also went out of their way to supply Japan with these resources. "Raw cotton was available from the United States, but Japan did not have the dollar liquidity to finance the imports necessary for the occupied country's textile reconstruction. Yet textile production was essential for maintaining a balance of payment between the United States and Japan(Rosen, 2002, pg.30, par. 2)".

The United States saw an opportunity to garner allies through raw cotton, so they

prompted countries to trade off their raw cotton to Japan.

Technology can help sustain the cotton industry by mass producing at the fraction of the cost.

This technology can be shared with other nations and create permanent partnerships that can be beneficial to all trading parties.

- 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.***

Sweatshops exist in the U.S. despite being in the G8 also being considered to have well developed retailing practices because the United States as a whole do not have the same pay rate, union laws, and procedures in every state. The characteristics of a sweatshop include but are not limited to; low wage, health endangering environment, and long shifts with little to no breaks. One state that has a few of these traits is Alabama. The state of Alabama has not implemented minimum wage and for this reason. Can potentially create an environment relatively similar to a sweatshop. Because the pay is so little, the workers would work long hours taking little to no breaks.

States such as New York mark off the checklist of being G8 due to the immense amount of workers and business in the inner city. In comparison to a state like Kansas, there are less working opportunities and industrial production. Within these “G8 states”, there are workers who would work under any circumstances due to their respective situations. One prime example would be undocumented immigrants. “In the United States, sweatshops predominantly exist in major metropolitan areas such as New York and Los Angeles. This is primarily because these major cities have easy access to a large group of undocumented immigrants who may take a chance on any labor in order to make money for their families (Dunken, 2020)”.