

Fashion Economics: FM 4339
Quiz #2: The Introduction
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Rosen, E. I. (2002). The Globalization of the U.S. Apparel Industry: Making Sweatshops. University of California Press.

- a. Do past international theories of explaining international trade (classic theorists) facilitate an understanding of trade policies today? If yes, then why? If no, then why not? (2pts).**

The past international theories of international trade facilitate an understanding of current trade policies by demonstrating the benefits of free trade and the changing patterns of trade. As the development of trade expanded in the early 20th century, decisions were still based on the eighteenth-century neoclassical economic theory, which is now called the neoliberal economic prodigy. This is the theory of free markets and free trade by designing a model that dominates policy-making, as its ideas have a powerful hold on the way Americans think about trade policy issues (Rose, 2002, p.13, par.3). On the other hand, it has been considered as one of the best forms of overall economic growth for job opportunities and lower prices for consumers, as opposed to other issues such as job displacement, wage suppression, and the outsourcing of jobs to countries with lower labor costs. Different industries may have distinct views on trade policies based on their specific interests.

- b. What is GATT? Explain in your own words. How has or would it ensure world peace? Has it worked? (2 pts).**

GATT stands for the General Agreement on Tariffs and Trade. It was designed to prevent the occurrence of mobilizing nation-states to regulate international trade through negotiation and international cooperation (Rose, 2002, p. 14, par. 2). It has consisted of multilateral negotiations, but always taking into consideration the beliefs of each culture and helping to identify and capitalize on the market opportunities that it is offered. It has advocated for optimizing a form of strategic partnership with other businesses that also comply with international laws by having a solid offering that is competitively priced and meets the needs of your target market.

GATT has ensured world peace throughout the past decades by considering all countries by which all trade agreements are to be negotiated bilaterally; the same trade regulations would apply to all countries. This guarantees a level of playing fair with regard to the exchange of goods among the nations (Rose, 2002, p. 14, par. 2). As some rules have changed, the new trade relations involve the consideration of reciprocity, mutual concessions, and nondiscrimination that hold more promise for the creation of international prosperity and

protection to all nations. Although trade has contributed to economic stability, it does not guarantee world peace. Corporations have found peace in coexisting globally, but it has required effort and support from various international organizations and diplomatic initiatives. It does not guarantee world peace, as nations may not trust one another and continue to hold grudges. As the exchange has become trade-sensitive in the United States, textiles and apparel inc included low-wage imports from their markets as they must adjust to the imports to remain competitive in the market.

The GATT has worked, as countries are linked by economic trade and investments that would be linked politically. It's been a created framework to promote fair and predictable trade practices, resolve trade disputes, and promote economic development. It has also limited the ability of countries to place higher restrictions on goods from other member states than within their own country, although tariffs on textiles, apparel, and other products made in labor-intensive industries have significantly reduced throughout the years (Rose, 2002, p. 15, par. 2). The international trade agreement has allowed for the ability to coordinate global production systems as a result of advance communication that has made it possible for the switch of mass-production methods. This, in turn, created a flexible space for the fashion industry, thus allowing the industry to approach the “new international division of labor,” providing the agreement with a new reconstruction to trade and growth (Rose, 2002, p. 16, par. 1). This gave the U.S. new opportunities for corporate growth and expansion that then required a new agenda to open the markets of development through the flow of goods, capital, trade, and investment. The new expansion of the trade demanded a further increased trade that led to a new role in American corporations as an aggressive global competitor.

- c. Rosen explains on page 20 paragraph (1) and on page 22 paragraph (1) that global trade does not always enrich developing countries but rather leaves them impoverished. Is this true? Is global trade beneficial to developing countries? Defend your answer. (2 pts).**

Global trade does not always enrich developing countries, as it leads to faster productivity in growth but it does not keep a balance in a third world country. It only benefits sectors and countries that are engaged in a global value chain, which allows developing countries to specialize in making a single component. The globalization of the apparel industry has accelerated job loss in the U.S. apparel industry, leading to wage reductions. New technology has expanded while supporting higher levels of profitability, growth, and consolidation of the largest corporation enterprises that increasingly dominate the industries (Rose, 2002, p. 20, par. 2). The imbalance may focus more on the exports of goods rather than the import, by imposing terms that favor their interests, leaving the developing nations with less favorable conditions. Frequently, developing countries maintain barriers to entry, such as higher tariffs or no-tariffs barriers, as a method of making it challenging for products from developing

nations to access their markets. This can lead to an accumulation of significant debt while trying to participate in global trade, as the debt may limit their ability to invest in social and economic development.

Creating a huge risk of labor exploitation is another way global trade does not fully benefit developing countries. In many developing countries, workers may face poor working conditions, low wages, and a lack of job security to meet the demands of the international markets. In 2000, China and sub-Saharan Africa facilitated the development of new arrangements that gave the U.S. corporations to contract products of clothing at potentially lower wages than in either Latin America or Asia (Rose, 2002, p. 22, par. 1). This may lead to the developing countries to prioritize production over sustainable practices that can help remain competitive in global markets. This agreement changed the trade regulations by creating a political and economic context in which there is an almost unlimited amount of capital, textiles, and apparel that can legitimately move across national borders (Rose, 2002, p. 22, par. 2). This may limit the ability of the developing countries to access and adapt to advanced technologies, hindering the innovation of economic progress in the country. Moreover, developing countries may face challenges implementing and enforcing environmental regulations, as they potentially become primarily exporters of raw materials rather than finished goods.

d. Historically, why is the apparel industry considered a “woman’s field”? Is this conception of being a “woman’s field of labor” true today? How does Rosen describe women as they are thought of in the apparel industry? Is this a fair classification of women? (2 pts)

The apparel industry is considered a “woman’s field” because of its legendary contribution to the development and expansion of textiles, and women are often associated with tasks related to the home, including clothing production and maintenance. Women’s influence in fashion has made their leadership and management skills an asset, and they create their original concepts (Rose, 2002, p. 23, par. 3). Women developed a passion for sewing, knitting, and other textile-related activities, and it became traditionally part of a woman’s domestic responsibilities. The industry provided a daily need as well as contributed to the wider economic trade with other countries and contributed in multiple ways, from spinning to weaving, designing, and marketing. It can be a repetitive task; factory employees toiled 10 to 12 hours per day as factories continue to take advantage of women's need for growth and stability. Women played a central role in creating and maintaining garments for their families.

Generations have changed as new creations continue to be created every day, the concept of “woman’s field of labor” is true today with how society has changed the rules of fashion and culture. Women’s skills have enforced the idea that women are suited for the fashion industry by shaping a perception, but the vast majority of students who obtain a degree in fashion are

women, but men still dominate the industry. The segregation of women in low-wage industrial production has defined the work women do as rooted in their biological, anatomical, and psychological “nature” (Rose, 2002, p. 24, par. 1), in the idea that women’s features contribute to the flexibility and variety of their abilities, such as their small hands, their lesser intelligence that leads to mastery of a more complex industrial work skill. Fashion has become gendered because of our culture’s gender roles, giving them gender-binary titles. Women buy more clothes than men, but fashion has become inclusive of all genders and ages.

Rosen describes women as they were thought of in the apparel industry as women faced discrimination on the job and often paid less for equal work. On the other hand, men saw women in their workplace as a threat to their own job security, as women had more knowledge in textiles and patience in the process. The monotony women experienced in factories were repetitive tasks that made days feel longer, with poor working conditions, and industrialization redefined the role of women in the home. The low productivity constrained employers to pay lower wages and employ women because they believed they had legitimate access to the economic support of the husbands and fathers (Rose, 2002, p. 25, par. 1). Men were considered the breadwinners as the head of the family rather than women, supported by the male-dominated labor movement, and supported the demand for a family wage. Although factories changed society and the economy by increasing productivity, urbanization, and technological advancements, they also resulted in harsh working conditions, exploitation of labor, and environmental pollution.

This is not a fair classification of women in the workforce as they have fought for years to have a voice and gain respect for who they are. Being a woman takes a lot of power, focus, independence, and knowledge not to lose your vision as society finds ways to interrupt or try to break our peace. Women were frequently subjected to verbal and physical abuse, as well as sexual harassment in garment factories. Women did not have the opportunity to improve employment conditions, as they became victims in the eyes of predatory factory managers. In many cases, in the export process, the environments were sometimes surrounded by barbed-wire fences where labor laws and other regulatory measures were suspended, as employers have greater control over the workforce (Rose, 2002, p. 25, par. 4). The factories would frequently hire young and unmarried women, as the apparel is assembled not at market wages but at women’s wages. It is set to a varying percentage of what is best defined as a man’s wage. This became a norm labor consideration for women as the abuse became unbearable and no respect continued to be given to them.

e. What is significant about export zoning? Defend your answer. (2 pts).

The significance of export zoning was established to concentrate on the streamlining of export-related activities, which includes manufacturing, processing, and packing of goods

intended for export. This assisted with providing a focused environment to countries that can create a safe and engaging atmosphere for international trade. It attracts foreign investors by offering various incentives, such as tax breaks, reduced regulations, and infrastructure support. The International Labor Organization (ILO) expressed that they are not structured enough to generate stable forms of economic growth as they do not provide decent work for women who work in these zones (Rose, 2002, p. 25, par. 5). Although exporting zoning has created numerous job opportunities, it has also made the government invest into infrastructure developments that can facilitate efficient service in transportation, communication, and logistics. Overall it helps the connectivity and trade efficiency in the region. It has increased the trade diversity which has reduced the dependence on a limited range of goods and markets as it can also make the economy more resilient to global economic fluctuations.