

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. 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).

Past international theories explaining international trades such as classic theorist, does facilitate a well understanding of trade policies today .It overall reveals a strong message of management and classical management. Each classical theory pin points a clear structure for management and operations used today. Its functions provides clear understanding of the division of labor that makes task easier and efficient to succeed and accomplish which eventually enhances productivity . Lastly it provides a great understanding of employee roles. Companies production numbers will most likely increase and can help steam line manufacturing operations that obtain high productivity. Even classical theorist management are still used today by many small business owners to build their companies and to succeed. (Nitisha, 2015).

I believe the theory of comparative advantage is relevant today because in todays modern world, the presence of strong Human Resources system for governance of employees working in any organization is an important factor. Comparative advantage that falls under classical theorists is relevant today because within international trade there's also competition with countries that results to competitive pricing and brings cheaper products to consumers. That being said comparative advantage leads to particular country to produce certain products better than another country. Even countries will have an absolute advantage over another when it produced highest number of goods after the same resources are supplied to both of them.

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

GATT is the free trade agreement that eliminated tariffs and even increased international trade. It is the general agreement on tariffs and trade that regulated global Commerce , GATT started from 1947 and ended 1994, it was created to stop the war from

occurring again, such like a trade protection from us (Rosen ,2002, p.13, par 5) . It was the first world wide multilateral free trade agreement and its purpose was to eliminate harmful trade protection ,it also sent global trade down 65% during the great depression . By removing tariffs

GATT boosted international trade, it restored economic health to the world after the devastation of World War II. Each member of the GATT also had important requirements towards every other member, for example all members must have been treated equally when it came to tariffs. GATT prohibited restrictions on the number of imports and exports but certain exceptions were towards developing countries that needed to protect fledgling industries. For example, when a government had a surplus of agricultural products and when a country needed to protect its balance of payments due to low foreign exchanges. All protecting patents, copyrights and public morals, all nations being treated equally.

GATT ensured world peace because it decreased the number of potential world wars and studies shown GATT promoted world peace. Before GATT the number of wars was ten times greater than the 50 years after GATT. Even before World War I the change of a lasting trade alliance was only slightly better than 50/50. GATT showcased how well free trade can work and inspired how other trade agreements can work as well and prevented wars between its members. GATT even provided inducement for smaller countries to learn English because they knew English is the most common language of the world's largest consumer market. In result, it reduced misunderstanding among communication and gave them insight into developing countries culture, so yes it has worked.

- 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).

Based on Rosen's belief that global trade leaves developing countries impoverished, I can agree that it can lead to certain job loss and wage reductions as well but reading innovation on globalization, I can say it created more opportunities than hardship overall. It all depends on the country's domestic political economic structure and institutions. Competition within global markets rewards people with initiative skills and entrepreneurship while poor people have little access to capital and opportunities to learn skills. Some of them in these developing countries lose their job but some foreign investments also brought new jobs and there's been improvement in these countries. Like for example, Mexico, their low wage poverty is declining in regions that's more involved in the international economy versus others that aren't. Even enterprising and skilled people migrate to those developing regions, overall countries that are poorer than others like Vietnam, Bangladesh and Cambodia have large number of people (working women working in garment export factories) gaining better earnings if they had worked in another alternative occupation. Even if their wages are low, it's much higher than the alternative occupations. Rosen brings up that sweatshop workers have a disadvantage but there's people for example that live in villages that have less money versus people working at sweatshops where the life is more manageable, providing more income for their household.

Overall, we must realize the reality in most cases is that there's limited existing opportunities for the poor and possible unintended consequences of fair trade policies (Bardhan, 2006).

Global trade can be potentially beneficial to developing countries in order to sustain economic growth . Research has shown that trade opening to foreign direct investments has been an important aspect in economic success over East Asia. The average import tariff declined from 30% to 10% over the past 20 years . Opening up their economies to the global economy provided many developing countries to develop competitive advantages in the manufacture of certain products, even then number of people in absolute poverty declined by over 120 million (14%) in the year 1993 up until 1998. Overall new jobs are created for unskilled workers eventually falling into middle class ("International Monetary Fund ," 2001).

**Rosen, E. I. (2002). The Globalization of the U.S. Apparel Industry:
Making Sweatshops. University of California Press. (cont.)**

- 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 women’s field because historical research suggest that this field of work was the norm for women. Where scarcity was the norm, women were responsible to make clothing which consist of sewing, spinning and weaving. The textile industry was one of the first industries to employ women when they started to work for wages outside the home. Women had no choice to work in this industry because ready made mass production clothing started and later in the 19th century they didn’t have no choice . They made women the labor force of choice into this apparel production (Rosen, 2002, p.24, par2) .

The concept of being a women’s field of labor is true today. The garment industry is and has historically been one of the most female dominated industries in the world. In certain countries the women are dominated today in this field, for example in Bangladesh 85% of women work in the industry, 70% in China, and 90% in Cambodia (“ Fashion Revolution ,” 2015) .Women in the apparel industry explained and described by Rosen as unfair treatment, due to the fact that she stated many of the low wage industrial jobs were poorly paid because they were done by women, stereotypical thinking against men and women was powerful (Rosen, 2002, p.23 , par1). Being stereotyped into working in the industry is not a fair classification towards women, some women were boxed into this industry and didn’t have no choice to work due to their living conditions. According to Rosen (2002), she stated low wage productions had lawfully boxed women into the suitable working condition they fitted. Their small hands and less knowledge

characteristics wouldn't be a great fit for them to work in a more complex industry, that men are in, furthermore stating women can't handle complex industrial work skills (p.24, par2).

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

The significance of export zoning is that it allows selected areas in a country to attract foreign investment to create jobs, expand the industrial base, introduce technology and create backward linkages (directed toward supplies in the supply chain) between the zones and domestic economy. Export processing zones have some resources that can attract helpful investment like natural resources, logistical advantages and cheap skilled labor. Export zones have advantages over developing countries which include job creation, increase in foreign exchange through increased exports , introduction of technology into the country and foreign direct involvement. Studies shown certain nations benefited significantly from the EPZ introductions , like Indonesia, South Korea, and even countries with a surplus of cheap labor use export processing zones to increase employment and generate feign investment (Murray, 2019). Nations also can encourage investment in the EPZ by offering expedited licensing or building permits and even duty free tax incentives.