

Fashion Economics: FM 4339
Quiz #10 The US Textile Industry
Chapter (11 & 12)

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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. Remember grammar, punctuation & spelling count.

- a. Throughout Making Sweatshops, Rosen discusses the development and progression of US textiles mills, manufacturing, along with retail. What is the significance of each of these: (1) textile mills, (2) the manufacturer, and (3) the retailer as part of the retailing pipeline? Choose textile mill, manufacturer or retailer and discuss how it has led to the reader's understanding of what a "Sweatshop" is today. Defend your answer with citation from the book along with another creditable author on this topic. (2pts)

Rosen mentions textile mills, manufacturers, and retailers as a significant part of the retailing pipeline. They were opportunities for skilled people to find jobs and have income. As Rosen states, textile industries were key industries that participated in rebuilding the economy after the war Rosen, 2002, (p.28, par.4). Making Sweatshops means understanding the conditions behind many workplaces, which showcases the ideas and weaknesses behind the textile mills, the manufacturers, and retailers.

The textile industry has been a vital part of the global economy for centuries, providing numerous jobs and fueling the growth of other industries. Hamilton states, "Textile mills use advanced technologies to produce high-quality textiles that cater to a wide range of consumer needs and are also valued for their strength and durability in other industries such as automotive and aerospace (Hamilton, 2023). Despite facing challenges, the textile industry will continue to play a crucial role in meeting the demand for high-quality textiles in the future.

The textile industry is considered a significant part of the retailing pipeline. It has been instrumental in fueling the growth of other sectors and providing numerous jobs for skilled people. Textile mills use advanced technologies to produce high-quality textiles that cater to a wide range of consumer needs. Rosen states, "The industry played a crucial role in rebuilding the economy after the war, as mentioned by Rosen in Making Sweatshops" Rosen, 2002, (pg. 206 and par 8). However, the conditions behind many workplaces in the textile mills have led to an understanding of what a "Sweatshop" is today.

- a. Rosen discusses "Free Trade," the end of quotas and tariff reductions. As noted several times in the book, trade policy for apparel has often been led by political agendas. State (cite) a time in history when trade policy was in fact, affected by a country's political agenda. How would trade change if negotiations were made to have US apparel made in sub-Saharan Africa. Give examples of issues that affect sub-Saharan Africa from the Diana Sawyer Interview. (2pts)

In the book, Rosen delves into the topic of free trade and the impact of the end of quotas and tariff reductions. She emphasizes that trade policy for apparel has often been influenced by political agendas, which has resulted in an uneven playing field for various countries. Rosen states, "The removal of quotas and tariffs can lead to increased competition and lower prices for consumers, but it can also have negative consequences for the domestic industries of some countries" Rosen, 2002, (pg. 231 and par 2). Rosen argues that a balanced approach to trade policy is necessary to ensure fair and sustainable outcomes for all stakeholders involved. Ultimately, the goal should be to create a trade environment that benefits everyone, rather than just a select few.

The proposed shift of US apparel manufacturing to sub-Saharan Africa would have significant implications for trade. It would likely reduce trade between the US and its current apparel manufacturing partners, particularly those in Asia. Rosen states, "This shift would also likely result in the expansion of trade between the US and sub-Saharan African countries. The move would significantly impact the global apparel supply chain, potentially leading to changes in the cost and availability of apparel worldwide" Rosen, 2002, (p.173, par.1). The shift could have important implications for the development of sub-Saharan African economies, potentially resulting in increased investment and economic growth. The move could also raise important ethical considerations related to labor practices in sub-Saharan Africa, particularly given the history of exploitation in the global apparel industry. Finally, the proposed shift would require significant investment in infrastructure, technology, and education in sub-Saharan African countries to ensure that they are equipped to meet the demands of the global apparel market.

- b. Why is China considered a major player in apparel production? How does artificially devaluing and inflating the Yuan help China? Give two examples, one where devaluing the Yuan and one where inflating the Yuan has created an advantage for China and has hurt the export/import country. Use a citation from Rosen along with a credible outside source to defend your answer. (2pts)

China is widely recognized as a major player in global apparel production due to several key factors. China's vast and diverse manufacturing capabilities, including a well-established infrastructure, skilled labor force, and access to raw materials, have positioned the country as a leading producer of textiles and apparel. China's robust network of suppliers, manufacturers, and exporters, coupled with its ability to produce a wide range of apparel products at varying price points, has solidified its status as a dominant force in the international apparel market. INVESTOPEDIA TEAM states, "The country's ability to quickly adapt to changing fashion trends and consumer demands, coupled with its capacity for large-scale production, has further enhanced its competitiveness in the global apparel industry" (INVESTOPEDIA TEAM, 2023). China's strong trade relationships with numerous countries and its adeptness in navigating international trade regulations and agreements have enabled it to maintain a prominent position in apparel production and export. The country's continuous investment in technology and innovation, alongside its capacity for vertical integration within the apparel supply chain, has contributed to its reputation as a major player in apparel production, allowing it to offer efficiency, quality, and cost-effectiveness to global apparel brands and retailers.

The devaluing and inflating of its currency, the Yuan, has been a key strategy employed by the Chinese government to promote economic growth and achieve its broader political and economic objectives. A devalued Yuan makes Chinese exports cheaper and more competitive in foreign markets, thereby increasing demand for Chinese products and boosting the country's export earnings. A weaker Yuan also makes imports more expensive, which can help to stimulate domestic production and reduce reliance on foreign goods. EveryCRSReport states, "A devalued Yuan can help to attract foreign investment into China, as it makes the country's assets more affordable in foreign currency terms. inflating the Yuan can help to reduce the cost of imported raw materials and other inputs, which can help boost Chinese manufacturing competitiveness and improve the country's balance of trade (EveryCRSReport, 2013). Currency manipulation can also be used as a tool of economic diplomacy, allowing China to exert influence over other countries and further its strategic interests on the global stage. However, currency manipulation also carries risks, such as inflation, capital flight, and retaliation from trading partners, which could undermine the long-term sustainability of the Chinese economy.

d. Women have been part of the apparel work force throughout its development that has transitioned into a global entity. Give two (2) examples in history when women's wages were not of equal value to those work wages of another industry or her male counterpart. Please cite each reference. Describe how the Lowell Model has shed light on the difficulties of being a woman in a low-wage industry. (2pts)

Women have been essential to the development and expansion of the apparel industry on a global scale. Xiong states, "the International Labour Organization, women constitute a significant portion of the worldwide textile and garment labor force, with garment manufacturing positions being filled by women"(Xiong, 2018). In certain regions, nearly of garment workers are women, such as China, where over of garment workers are female, and Bangladesh, where women make up of the workforce. Cambodia and Vietnam are also home to high percentages of female garment workers, with around of employees being women.

The Lowell Model, named after the textile mills in Lowell, Massachusetts, has provided valuable insights into the challenges faced by women in low-wage industries. The model elucidates the gendered nature of low-wage labor, particularly in the 19th-century textile industry, where women constituted a significant proportion of the workforce. This underscores the historical trend of women being relegated to low-paying and often exploitative work environments. Whiting states, "The Lowell Model highlights the intersectionality of gender and class, as women from working-class backgrounds were disproportionately represented in such industries, leading to compounded economic and social marginalization. The model illuminates the systemic barriers and gender-based discrimination that women encountered in these low-wage industries, including limited opportunities for career advancement and unequal pay compared to their male counterparts" (Whiting, 2023). The Lowell Model underscores the adverse impact on women's physical and mental well-being as a result of the arduous and hazardous working conditions prevalent in low-wage industries, contributing to the perpetuation of gender-based inequalities. Lastly, the insights derived from the Lowell Model have informed contemporary discussions on labor rights, gender equality, and the need for policies and interventions aimed at addressing the specific challenges faced by women in low-wage industries.

e. Discuss how the events of September 11, 2001 have effected international sourcing of apparel. Give at least two (2) examples. How has terrorism effected consumer consumption along with the US economy? (2 pts).

The events of September 11, 2001, profoundly impacted the international sourcing of apparel, resulting in significant changes in the global supply chain. The increased focus on national security and the implementation of stricter border control measures following the terrorist attacks led to heightened scrutiny of goods entering the United States. Kaplan states that “apparel companies faced increased challenges in sourcing materials and finished products from overseas, as delays and disruptions in transportation and customs clearance became more frequent” Kaplan, (2017). The threat of terrorism prompted apparel companies to reconsider their sourcing strategies and diversify their supplier base to reduce dependence on a single region or country. For instance, some companies shifted their sourcing from countries in the Middle East to alternative locations in Asia or South America to mitigate potential risks associated with terrorism.

The events of September 11, 2001, also had a significant impact on the US economy as a whole. Kaplan states, “The immediate aftermath of the attacks resulted in a temporary halt in economic activity, with sectors such as air travel, tourism, and hospitality being particularly hard hit” Kaplan,(2017). The disruption in supply chains and the increased costs associated with enhanced security measures further strained the economy. Additionally, the decline in consumer confidence and spending, as well as the decrease in international trade, contributed to a slowdown in economic growth. Overall, the events of September 11, 2001, had far-reaching effects on the international sourcing of apparel, consumer consumption patterns, and the US economy, highlighting the interconnectedness of global events and economic systems.

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