

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 credible author on this topic. (2pts)

Textile mills, manufacturers, and merchants have all grown in their own unique ways. Each of them faced a range of trade regulation and competition issues. In 1950, New England had 1,500 textile mills that employed roughly 400,00 people. The nation's tax code, cheap labor costs, nonunion status in the southern region, plus lower-wage International buyer competitiveness enticed textile companies to relocate. Mentioned by Rosen "In 1950, New England had 1,500 cotton-textile manufacturing plants with about 450,000 workers. By 1958, the New England textile industry employed only 124,000 workers, while the South had 477,600." (Rosen, 2002, p.78, para.1) By 1958, after the following merger and relocation in the south, the textile employees population increased to 400,000, while the North had experienced massive employment losses.

The manufacturers started to relocate to the South, which had low-wage employees with no union representation. During the 1950s, the garment rise of low-wage importers from East Asia harmed producers. Manufacturers came across a fresh chance to outsource their labor to

East Asia, primarily in Taiwan and Hong Kong, where they manufactured vast quantities of low-value apparel for sale to the United States market.

Sweatshops are unethical working conditions with low salaries in the textile industry. Workers in underdeveloped nations were mostly unmarried young girls, illegal immigrants, or child laborers. However, sweatshops can still be found in Los Angeles, California, and New York today (Tayyip,2020). To prevent legal liability, the companies they worked for always compensated them in the form of cash. During the global epidemic, these garment workers are in greater danger because they are reluctant to cleanse their hands and sterilize the workstation as frequently.

- b. 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 lead 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-Sahara Africa. Give examples of issues that effect sub-Sarah Africa from the Diana Sawyer Interview. (2pts)

During the time of Eisenhower's presidency in te late 1950s, open trade along with additional decreases in tariffs and quotas became prominent political initiatives stated by Rosen “By the mid-1950s it was among the largest and most significant industries threatened by the administration’s power to reduce tariffs.” (Rosen, 2002, p.64, para.1) Trade expansion aided the gradual containment of communism in Asia. The 33rd parallel battle in Korea throughout the 1950s, as well as the slowing of the US military in Japan, represented a crucial component of the communist menace. Eisenhower's international trade plan, as secretary of state John Foster Dulles, encourages more Americans to make investments in Asia and aid Japan in restoring its industrialization the free trade regime avoided the chain reaction of communist invasion in Asia.

Negotiations to having US clothes manufactured in Sub-Saharan Africa would revolutionize commerce by rendering into an increasingly connected marketplace. Mentioned by Rosen “Congress introduced a bill that would both permit fashion producers to open new markets in Africa for low-wage production and give the textile industry CBI parity.” (Rosen, 2002, p.205, para.6) This will also provide Africa a chance to engage in the global

economy, the large number of AIDS patients is one concern affecting Sub-Saharan Africa numerous financiers alongside manufacturers seeking opportunities in Africa observe this as a barrier to progress. Africa's government infrastructures are likewise plagued by corruption or insecurity stated by Rosen “Liabilities inherent in trade with African nations include the many unstable and corrupt governments and the lack of infrastructure, such as roads, rail service, and port facilities.” (Rosen, 2002, p.206, para.1) The result would only lead to delays in African garment manufacture and exports.

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

- c. 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 regarded as a prominent participant in the garment industry since it is one of the world's largest and quickest manufacturers of cotton, silk, and man-made fiber textiles becoming one of the leading textile and apparel exporters to the U.S. Mentioned by Rosen “China is among the world’s largest and most efficient textile producers today; it is the world’s largest cotton-producing country and has the largest man-made fiber- and fabric-producing industry.” (Rosen, 2002, p.211, para.1)

The majority of China's incoming money is derived through exporting things to acquire a competitive edge in the international markets, They devalue and inflate the Yuan artificially in order to acquire a competitive edge in overseas international markets (Fernandez, 2019). When China degrades the Yuan, this may decrease the prices of its exports, allowing consumers to buy Chinese goods at significantly lower prices, giving them an economic edge. As a result, imports entering China are becoming more expensive. China keeps continuing to deliberately control the value of its currency in order to maintain its financial system intact.

- 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)

The contrast between the garment sector and the autoworkers industry is a historical example of when women's salaries were not comparable to those of another industry or her male colleagues, the majority of employees in the garment business are women, whereas males predominate in the autoworkers industry stated by Rosen “However, if women are to be the dominant workforce in apparel factories, the second, and more egalitarian, solution is to pay a wage designed not merely to attract the daughters of the poorest families but also to provide significantly more than the current woman’s wage that now prevails in these jobs to pay a wage that would allow women to support themselves and their families. .” (Rosen, 2002, p.249, para.4)

Another instance in history when women's pay were not equal to those of their male counterparts was wage discrimination in the workplace, men were regarded as the primary earners of the family, they received wages sufficient to support the household. Mentioned by Rosen “Men as breadwinners have been paid a man’s wage and sometimes a family wage—enough to provide for dependent wives and children. Women’s wages in the past have been based on the assumption that they are supplemental to a family economy where men are the main breadwinners and earnings are pooled.” (Rosen, 2002, p.249, para.2) Due to this sexist way of thinking many women were discouraged from seeking out higher paying jobs, instead companies rather offer those higher paying jobs to men than the women.

Since it served as a template to numerous manufacturing enterprises within the world which have breached as well as still violate women's rights, the Lowell's Model provides a spotlight on the challenges of being a woman in a low-wage industry. Young girls and women were hired in neighborhood-based factories under the Lowell Model, which required women to relocate from their residences and into hostels supplied by the corporations that recruited them. Women had to face severe ethical difficulties within these housing quarters. Women in El Salvador, for example, who work in areas surrounded by fencing and walls are a prime instance of this. When they move through these areas, the women undergo searches as well as padded

down. These ladies often work between 11 and 20 hour shifts for six days a week. Mentioned by Rosen “In the past two decades, however, growth and competition within the industry appears to have dramatically depressed wages and working and living conditions for women employed in apparel production in export- processing zones. In El Salvador, women make clothing in factories contracting with Wal-Mart, Kmart, and Leslie Fay. They work in zones surrounded by barbed wire. Searched by armed guards as they enter and leave the factories, they work eleven-hour shifts, six days a week; they sometimes work twenty-hour shifts.” This constitutes a breach of privacy as a method of controlling these ladies. Women cannot have the ability to have kids along with little to no control over their bodies.

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? (2pts).

Following the attacks of September 11, 2001, the United States and the European Union permitted the addition of quotas and further lowered tariffs on Pakistani clothing imports. Despite this, Pakistan is regarded as a military flashpoint by the mainstream media. Many American clothing companies had terminated their agreements with Pakistan, one of their main import partners for example Tommy Hilfiger, American Eagle and the Gap to name a few. Due to the military's involvement in Afghanistan areas, they expected logistical issues. As a result, many businesses had the backup plan of moving their manufacturing suppliers to a different site stated by Rosen “They ended their contracts “largely on expectations that deliveries may be impossible because of US military action in neighboring Afghanistan. And signs are that these companies have already drawn up contingency plans to shift apparel production to another location if the need arises.” (Rosen, 2002, p.247, para.4).

Department retailers like Bloomingdale's reported sales in the winter that were about 20 to 40 percent below expectations rather than meeting the predicted plan. The cheap interest rate for the mortgage was too good to pass up for consumers. Automobile manufacturers exhibited little to no interest in the new car. Additionally, in order to boost the economy, President George W. Bush signed the Economic Growth and Tax Relief Reconciliation Act, which promoted a tax cut for families. International sourcing of clothing has been impacted as a result of the United States being obliged to stop participating in and engaging in commerce with some nations. This incident

caused extensive tensions between Europe, the United States, and middle eastern nations stated by Rosen “Low-income families may benefit from buying at retailers like Wal-Mart, but the bargain prices they get are not the result of savings on tariffs, most of which goes, as Scott and Lee argue, to retailers and importers.” (Rosen, 2002, p.233, para.1)

An additional year later, about 500,000 fewer jobs were associated with those in the travel related industries as a result of the fall in aircraft usage. Other industries took drastic losses such as the hotel/motel due to consumers having a fear of traveling and staying in different countries. Terrorism impacted the U.S economy by installing fear on consumers along with allowing them to become more conscience on where they're spending money.

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