

Technology Entrepreneurship: HDCS 4370

Quiz #7: The US Textile Industry

Chapters 8

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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. Where was the “second act” of trade liberalization played out? What countries did it include (Look at a map)? How did Reaganomics include these countries in foreign affairs? What was their relationship? (2 pts)

The “second act” of trade liberalization played out in Latin America. It included selected countries in the Caribbean, Central America and, after a while in Mexico as well. (Page 129, Para 1).

Reaganomics included these countries in foreign affairs by creating the CBI or the Caribbean Basin Initiative, under this act President Reagan “promoted economic development and stability” in the Caribbean, including the Central America region by opening new markets and fostering free trade. Other than this he also made sure that through this act of CBI they “can monitor the communist interference or spread” that can be stopped. (Page 129, Para 2)

The relationship between the US and the Caribbean and the Central American Nations, much of Latin America was an economic one. These regions were suffering from crimes, corruption and violence so to keep them from turning to communists for help, the US offered them trade opportunities and also gave them economic aid.

b. What was occurring in Central America? How could history been repeating itself? How do you think the U.S. would respond to the crisis in Central America? (2pts)

In the 1980’s El Salvador a Central American nation was facing a civil war as the corrupt government there supported by the military were exterminating anyone in the country who was seen going against their violent rules and also anyone who was suspected of providing economic and social reforms. This made the people mad and therefore they started rebelling against unfair practices such as ill-treatment of labor and unfair political representation. Other than this, Nations like Nicaragua, Guatemala and others also faced suppression from their dictators. The United States stepped in and helped these nations.

Ronsen notes that the U.S. government gave almost \$16.8 billion in two-sided help between 1980 and 1992, given to a great extent to chosen nations of Central America and the Caribbean for military help, adjustment of installments help, and help for financial development. (Page 132).

Whereas we can see that the history is kind of repeating as now again we see the Central American Crisis. By looking up the current news I found out that “the relentless stream of outward relocation is driven by progressing turmoil, especially in Nicaragua and within the Northern Triangle nations of El Salvador, Guatemala and Honduras. The three Northern Triangle countries rank among the foremost savages within the world, a bequest of the respectful wars in El Salvador and Guatemala, which destabilized security structures and overflowed the locale with weapons. In that context, gangs—often brought back domestic by deportees from the U.S.—have multiplied, and together with them the sedate exchange and debasement, fueling expanding wilderness. Well known turmoil has done small to create political arrangements, driving numerous of the foremost powerless to flee.” (World Politics Review, 2020). And now due to this President Trump has threatened these countries that he would stop providing them aid if they continue to act up. I personally feel that this would be a stupid move as it will just cause them to be more violent if they are not aided and can also have severe economic problems which can further affect the US businesses who depend on these Central American nations for their manufacturing processes.

c. Please research and bring to class two examples of military, political, or economic affairs that occurred in the Caribbean or Central America between 1953 and 1985. Make sure your examples are from credible sources. Why did I ask you to research events in this region? How does it pertain to the chapter entitled, “The Reagan Revolution”? (2pts)

So I picked 2 countries for my research, Guatemala (Central America) and Cuba (Caribbean Island). We know that this region of the world is very corrupt, and like a resort for criminals and Mafias. Both these countries had terrible economic conditions as they were facing poverty, hunger issues and what not. Besides their economic problems, they had political problems like governments that favored corrupt businesses and no labor laws. This caused rebellions that cost too many lives for too little change. I picked these two countries specifically because there is US involvement in their matters, regarding the CIA or the Central American Agency.

In the 1950's the UFC or the United Fruit Company aka “LaFrutera” owned pretty much everything in Guatemala, employed 40,000 people and was also not a Fair Trade Company. The workers had no rights, and also this US company had the politicians in their pockets. Years later a democratically elected president named Jacob Arbenz became the President, he was a reformer and wanted change. Wanted to give land to the poor, and also wanted to improve education, and was definitely not a communist from any angle! With a good politician on their side the workers at UFC go on a strike, but instead of fulfilling their demands or labor laws, in response the UFC fires all of these workers who go on strike. Their president Arbenz, takes away the land from the UFC and kicks them out of his country. At that time the US president was Dwight Eisenhower, who didn't like this at all, so his administration alleges that Arbenz is a communist! Then the CIA plots the “Operation Success” in 1954 and trains Guatemalan and Honduran mercenaries to overthrow Arbenz. Arbenz was forced to resign after the CIA invasion and a terrible dictator Castillo Armas assumed dictatorial powers and this was a deathblow to Guatemalan democracy.

Cuba was under the General Fulgencio “Batista”, who was actually a US supported dictator of Cuba. Cuba had Havana which was the hot spot for all kinds of crimes and illegal activities. Cubans were pissed off because of the US involvement in their country. After many guerrilla warfare a guy named Fidel Castro, who was a reformer, loved by people came into power. The

United States was mad at Cuba so it boycotted trade with them, stopped providing them military equipments and crude oil so when Soviet Union offered a helping hand, Castro accepted the offer. This was a main reason for Cuba turning communist. "The Bay of Pigs Invasion" in 1961 was a CIA operation approved by the US President John F Kennedy miserably failed. "Operation Mongoose" also failed and then it brought us to the "Cuban Missile Crisis" in October 1962.

In my opinion the chapter is titled *The Reagan Revolution* as it is more about bringing a fair change in Latin American countries rather than exploiting them as the Eisenhower and JFK administration did!

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

d. Define CBI? What was their economic status? What was the purpose of developing programs that would support new business opportunities in the Caribbean? (2pts)

The CBI is an acronym for the "Caribbean Basin Initiative" which was established by the Reagan administration in the year 1983. Rosen states that the CBI was outlined to rebuild the conventional exchange, speculation, and financial joins between chosen nations within the Caribbean nations and Central America and the United States.(Page 134). "With the inception of the CBI, the Reagan administration mobilized U.S. agencies to develop programs to publicize and promote new business opportunities in the Caribbean." (Rosen, 134). The purpose of developing programs that would support new business opportunities in the Caribbean was pretty simple, it was to provide economic relief by helping them start new businesses. If the US did not step up to help these countries then they would either turn to communists for help or they would isolate themselves. This reminds me of the *Winners and Losers* article that we read in class as it encourages global trade. Isolationism is a scary thing because I remember you explaining in class that "if we don't trade, we isolate, and when a country isolates, there is a war!"

e. Print out a map of the Caribbean and Central America? (2pts)

