

**Fashion Economics: FM 4339**  
**Quiz #7: The US Textile Industry**  
**Chapters 8**

**Dr. Adomaitis**

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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 took place in Latin America (Rosen, 2002, p. 129, par.1). It was in effect in countries such as the Caribbean, Central America, and Mexico. Production of apparel started in Central American countries, the Caribbean, and Mexico.

Reaganomics included Central American countries in foreign affairs by supplying \$16.8 billion of funds for benefits in the army and financial growth. Also, programs for aid were formed and were known as the Food for Peace program, the Economic Support Fund, and the U.S. Agency for International Development (Rosen, 2002, p. 132, par.1). Reagan also generated the CBI, which is also known as the Caribbean Basin Initiative, this helped by “welcoming commerce and promoting trade” (Rosen, 2002, p. 129, par.2). This shows how Reagan wanted to help the countries in Central America by supporting them economically. Since these countries were struggling and misconduct was an issue.

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

In Central America in the 1980s, a war called the Contra War came into effect in Nicaragua. It lasted a total of nine years. The Contra War was due to President Reagan making a plan to create a “secret war” to overturn the Nicaraguan government. In an attempt to overturn their government Reagan contributed “millions in money, preparation, and equipped soldiers” (History.com Editors, 2020). This was to ensure the success of the plan. But the Contras were found to be criminals which resulted in Congress decreasing the amount of support for the Contras. The war resulted in “many deaths up to 31,000 and was the cause of destruction financially” (United States Foreign Policy – History And Resource Guide, 2022). This affected the country but, a peace plan was executed years after.

Based on this event, history could be repeating itself due to the Mexican Revolution. It started in 1910 and went into effect because of “a feudal system which was known as la encomienda” (Closer Readings Commentary, 2012). With this event just as in the Contra War, the U.S interfered again. In 1914, as a way for the U.S to help the revolution, President Wilson assigned American Marines to Mexico. The end goal was that it brought an end to the dictatorship. In both events, the U.S was involved for different reasons.

- 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)

Both countries El Salvador and Guatemala experienced destructive and a long period of war. In 1979, major changes to overthrow the government led to a twelve-year civil war in El Salvador. President Carter’s administration agreed with this and felt “it would contribute to a stable country, and stop communism from happening” (Scahill, 2021). The U.S became involved when both Reagan and George H.W Bush disagreed and criticized President Carter’s choices regarding communism and felt he could have done more for Central America. Also, they were included in the executions. Once, the war had ended there were many deaths due to the U.S government.

In Guatemala, a civil war started in the 1960 and lasted for thirty-six years. This war was between Guatemala’s government and “leftist liberal groups.” The

government of Guatemala is said to be the cause of the high amounts of deaths. This is because the movement involves “the bombing of communities, ambushing citizens who are trying to leave, setting people on fire, and executing children” (McDonnell, 2018). Overall, it was violence and destruction because the end goal was to overthrow the Guatemala government.

The research of this region was asked because it helps to understand what events were happening in these areas economically, socially, and politically. Also, doing research helps to understand chapter eight better and provides more insight into Central America. The chapter entitled “The Reagan Revolution” shows how the goal was to support Central America so that they could overcome the issues they were facing.

**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)

CBI stands for the Caribbean Basin Initiative also known as the Caribbean Basin Economic Recovery Act. It was created by the Reagan administration. According to Rosen, it “was an updated version of commerce and funding strategies that were created to advance the expansion of economics, and a stable political system” (Rosen, 2002, p. 129, par.2). The economic status of the CBI was lacking due to a shortage of goods. The CBI wanted to strengthen commerce and economics in Central America, Caribbean countries, and the United States (Rosen, 2002, p. 134, par.2). This was due to the weak economy and violence that was taking place in Central America The programs “Interagency Task Force, Department of Agriculture” was developed because of the end objective which was to “advocate the financing of the U.S with the Caribbean Basin and support receiving countries engage in rural global exchange” (Rosen, 2002, p. 134, par.3). These programs were designed to assist in the economic components in Central America.

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



## References

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