

Fashion Economics: FM 4339

Quiz #10 The US Textile Industry

Chapter (11 & 12)

Dr. Adomaitis

Nargiza Rahmatilloeva

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 a 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 a citation from the book along with another credible author on this topic. (2pts)

The retailing pipeline is significant since it has helped to reconstruct the economy's infrastructure. In reality, as competition for low-cost commodities grows, the US seeks chances to help developing nations strengthen their economies and trading links with other countries. The United States then utilized trade liberalization to collaborate with other Eastern Asian and southern countries. To prevent the rise of communism in such areas (Rosen, 2002, pg. 203, par. 3). Despite the fact that textile mills, manufacturers, and merchants employ people in deplorable working conditions for pitiful salaries, they have helped to employ thousands of people and mend the economy's structure.

Textile mills were created to give adults and sometimes children (before child labor laws) a place to work for almost nothing in what was called a sweatshop. The working conditions during the early 1900's were harsh on the women and men who worked there. "Today, sweatshops are

frowned upon but continue to thrive due to customers supporting companies that utilize this type of labor.” (McGrath, 2014). Unfortunately, textile factories still exist today in many parts of the world and are commonly known as sweatshops. Some of the Companies that use sweatshops are The Children’s Place, H&M, Nike and GAP.

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 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 year 2000, the Clinton administration did well when getting the textile and apparel industry to agree on a plan for the African trade liberalization that went together with trade parity for the CBI nations. “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, pg. 205, par. 4). The bill to include the Trade Development Act finally passed after the textile industry agreed with the Senate on the rules. The TDA opened trade with textiles and apparel between Africa and the United States.

Just recently, Africa has participated in the global clothing trade as an export market for used clothing. Only South Africa and Mauritius have manufacturing facilities that are globally competitive and have exported large amounts of apparel to Europe. Both countries are now leveraging the ability to export to the United States. “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, pg. 206, par. 1). The proportion of Africans affected with AIDS was huge and was also seen as a barrier to development. Given these conditions, it is unclear whether TDS will promote apparel production in sub-Saharan Africa.

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 one of the world's largest and most efficient producers of textiles today, they are the world largest producer of cotton and has the largest man-made fiber and fabric producing industry. China is also the largest producer of silk, China accounts for 50 percent of global production. "By 1998 textile and apparel products accounted for one-fourth of China's exports worldwide" (Rosen, 2002, pg. 210, par. 4). These two industries employed about one-seventh of China's industrial workforce which accounted for 6 percent of China's output.

The Yuan's devaluation can help the country by attracting more foreign investors to deal in global exports. Rosen, for example, claims that "by depreciating its currency, the Chinese government has amassed significant amounts of foreign exchange." Rosen (2002), p.211, par. Due to the depreciation of its currency, China would be able to sell more commodities to the United States while importing less (McDowell, 2010). In other words, China uses its undervalued currency to export more commodities rather than import them in order to progress 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)

Americans are now aware of the globalization of the U.S. apparel industry. It is now understood that free trade means lower wage imports which has led to developments of substandard working conditions in factories in Asia, Latin America or the United States. "If women lose jobs in American clothing factories, they find new and better ones in high-tech and service industries, better jobs that require more education and skill" (Rosen, 2002, pg. 220, par. 2). If immigrant women are working in America's apparel factories in questionable conditions and it's below their minimum wage, those jobs not taken by Americans will be filled despite limitations.

By describing the severe working circumstances that women had to suffer, Lowell Model focused attention on the differences of being a woman in a low-wage sector. Teenage females in Lowell and Lawrence, Massachusetts, were obliged to labor in the garment business before marrying at an early age. These young ladies worked long hours in deplorable conditions. According to Rosen, these working circumstances were deemed "exploitative and socially undesirable." Rosen (2002, p. 240, para. 3) Only the "farm girls" made more money in other industries, but they had to contend with hazardous working circumstances.

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

After the events that took place on September 11, 2001, consumer spending continued to decline. This further strengthened the economic recession that began earlier that year. Department stores like Macy's and Bloomingdales saw a twenty percent decrease in their forecast. "Discount stores appeared better able to weather the economic storm" (Rosen, 2002, pg. 223, par. 2). Consumer behavior and confidence has been shaken and sales for high end and discount stores have declined in forecast in the past two weeks surrounding September 11th, 2001. "Retailers have narrowed their supplier base, building stronger relationships with particular clothing manufacturers and importers" (Rosen, 2002, pg. 223, par. 3). On one hand this has filtered out many apparel producers and it has also led to advantages for fashion producers in the global trade regime.

Work Cited

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