

BUF 4300: Global Sourcing & International Trade
Midterm Essay Exam Timed Exam
Dr. Adomaitis

_____(Shaimelys Marcano)_____

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 in your answers to show comprehension of the Rosen text.* Remember grammar, punctuation & spelling count. Cite using APA formatting when using citations. Add references and/or LINKS to outside sources. *Over cited papers* will lose points as this exam is to validate your opinions with citations not to cite several sources to defend an opinion. I want to know your opinion based on the reading, discussions and articles. (50 pts each).

Essay #1

- a. How did the defeat of the French at Dien Bien Phu alter *U.S. foreign policy* in regards to textiles and apparel trade in Southeast Asia? Defend your answer with **two citations from Rosen**. How did Vietnam alter American opinions about the war? Important to American history? **Please cite a source outside of Rosen**.

The defeat of Dien Bien Phu is significant in American history because prior to this defeat, the U.S was at a crossroad in foreign economic policy (Rosen, 2002, p. 64, par.2). On one end the protectionist argued against the U.S reducing Tariffs and participating in reciprocal trade, while the individuals in charge of the decision making of U.S trade policies believed in reducing tariffs, reciprocal trade and the imports of cheaper lower-wage goods. The defeat of the French at Dien Bien Phu was significant in the decision making within the United States domestic debate of foreign trade policies. For a long time Dan Reed, a protectionist leader of the protectionist chair in the House Ways and Means Committee had opposed Eisenhower's involvement in the reconstruction of Japan. But once he heard that the French had been defeated in Dien Bien Phu, fear took over him. The communist influence had infiltrated Indochina. He was then persuaded to back down and support the U.S involvement in Japan. He now understood how important it was for the U.S to help Japan because the U.S foreign economic policy influence was being challenged (Rosen, 2002, p. 65, par. 2). They must put their differences aside in efforts to stop a domino effect from happening in all of Asia.

Vietnam alter the opinion of Americans about the war because they went in thinking that the war was going to end quickly, but to their surprise it lasted nearly 2 decades. The American people were also lied to throughout the entire war by their former president at the time, Lyndon B. Johnson. Many American soldiers lost their lives in the Vietnam war

because they were simply not prepared for this war. They were not aware of the Vietnamese Gorilla war tactics and the landscape and terrain of Vietnam. Many went in blindsided. President Johnson at the time lied to the American people by saying that the war was coming to an end, when in reality they were facing gridlock at Vietnam. Neither the North or South wanted to back down. Finally when images of what was going on in the Vietnam War were released by the press, Americans got to see what was really going on in Vietnam. Many began to protest against the U.S involvement in the war. Young and women who had been drafted and or volunteered no longer wanted to go to war. They were terrified by the gruesome images that had been released. Eventually this led to the U.S pulling out of the Vietnam War.

- b.** Was there a true threat communism in East Asia? Defend your answer with an understanding of both the defeat at the 33rd parallel in the Korean War in the 1950s and the Vietnam War in the 1960s and 1970s. Be sure to explain both the Korean war and Vietnam war).

There was a true threat of communism in East Asia with the defeat of the French at Dien Bien Phu and the defeat of the 33rd parallel in the Korean war. During the Korean War the U.S entered to aid South Korea which had Pro-Western agendas. North Korea was being backed by soviet communist agendas. According to History.com, the Korean War began when North Korean people's Army invaded the South. Initially this war was supposed to be a civil war in Korea but soon turned into a power struggle between communist countries and Democratic countries. In efforts to maintain their foreign trade policy agendas, the United states got involve in the Korean war. The Korean war led to the split of Korea between the North and South along the 33rd parallel. Similarly to the Korean War, In 1954 the French army was sent to Dien Bien Phu in efforts to contain communism in Indochina. Dien Bien Phu was located in Vietnam. The United States supported the French in this war but both the U.S and France did not win. The United States went into the Vietnam war to support the French as well as South Vietnam which had democratic agendas, which caused a split between the country into communist North Vietnam and socialist South Vietnam. The United States and France both failed to contain the rebellion and uprising of Indochina. North of Vietnam had begun to consumed territories if South Vietnam, which eventually led to the defeat of the South. The countries two separate countries than became one republic.

- c.** How did this have an impact of the *Hong Kong, South Korea, and Taiwan*? How did it assist in the globalization of retailing? Defend your answer with *one citation from Rosen and one outside source to support your opinion. (Remember APA citation).*

The Vietnam war and the Korean War impacted Hong Kong, South Korea, and Taiwan because it build stronger interest of the United States in these countries. After the war many of Southeast Asian countries had been destroyed. The United States came in and began to aid these countries by investing in their textile and apparel industries and the reconstruction of their governments. Once these countries were back on their feet they were open to foreign investment in the garment assembly. They began to offer duty free

export processing zones to motivate foreign investments and trading globalization (Rosen, 2002, p. 47, par. 3). Hong Kong, South Korea, and Taiwan became some of the largest-scale trading exporters. The U.S importers, retailers, and manufactures decided to contract work to the East rather than to U.S textiles mills because it was much more easier on their pockets. It was cheaper to make elsewhere. For instance, South Korea could produce the men's long sleeve dress shirts for more than half the price that Americans could (Rosen, 2002, p. 106, par. 2). Manufactures had been struggling with the American apparel industry for many years because of the unionization of American workers. In East Asia there was no unionizations, therefore wages were low. This was very appealing to importers, retailers, and manufacturers.

Essay #2

- a. After reading Chapters 1-4 in Rosen's Globalization of Apparel and Textiles book, it is apparent that most apparel sweatshops came into existence in countries located in the Pacific Rim. Sternquist mentions four (4) stages and Allen from Second Hand Distribution mentions (5) stages in the Growth of Retail or Retail Stages. *When the U.S. was **analyzing the cotton industry**, what retail stage was the U.S. in and Japanese cotton industry **in after WWII**?*

The U.S and the Japanese cotton industry after WWII were in Stage 3: The Take Off stage and eventually reached Stage 4; The Drive to Maturity. The United States was eager to enter the Japanese textile industry. The U.S began to invest an immense amount of money into the Japanese cotton textile industry. They even began to pull from the American textile fund reserves and began to invest that money into the Japanese textile industry. The U.S also supplied Japan with innovative textile producing machinery and encouraged other foreign countries to liberalize trade with Japan. They promoted Japanese goods to European countries as well as Asian countries. The U.S began to export cotton to Japan and then Import cotton textiles from Japan into the American textile industry.

- b. Give **three (3) reasons** why the U.S. chose the cotton industry to rebuild Japan. Give two (2) citations from Rosen to defend your answer. How can technology (Analyze the Industry (Lecture 2)) help sustain the cotton industry? Give at least two (2) reasons.

Three reasons for the U.S decision to rebuild the cotton industry in Japan were the surplus of cotton, containment of communism, and the globalization of trade. The United States chose the cotton industry to rebuild Japan because after world war II many farmers found themselves with a surplus of cotton that had no purpose. They were in danger of going out of business. The cotton farmers encourage the idea of the U.S involvement in the reconstruction of Japan because they wanted to be able to do something with all the cotton they had left over as well as staying in business. The United States exported approximately 88 percent of the cotton that Japan used for the cotton textile production (Rosen, 2002, p. 30, par. 2). The United States assisted Japan in rebuilding their country

after WWII in 1945 because they wanted to be part of the reconstruction of Japan's political system of government. The United States also wanted to influence democratization in Japanese society in efforts to strengthen their bonds with Japan (Rosen, 2002, p.27, par. 0). They also wanted to be a part of Japan's industrial reconstruction. After China fell to communism as well as North Vietnam and North Korea, the U.S wanted to avoid the same thing from happening to Japan. As the U.S stated, they wanted to avoid a domino effect. Before WWII Japan was the leading producer of silk textiles and had many colonies in Southeast Asia. The United States saw them as part of a big influence to Asian countries therefore they wanted to aid Japan in rebuilding itself. The U.S military had occupied Japan in efforts to restore Japan's prewar textile industry. At first the U.S wanted to help Japan restore their silk exports but after the war when Nylon was invented it took over the market and began to replace silk textiles because it was cheaper and much faster to develop. Silk export drop and therefore the U.S turned to cotton textile production plans for the Japanese textile industry. Japan lacked many raw materials therefore the U.S began to trade large quantities of cotton with Japan.

Technology can help sustain the cotton industry because it allows the country to develop new innovative ideas to facilitate cotton production. An example of this was the U.S government involvement in the reconstruction of the Japanese textile industry. The U.S provided Japan with new innovative textile production machinery. The U.S invested large quantities of money into the Japanese industrial markets which paved the way for technological advances in the Japanese textile industry. Some examples of technological advances in the cotton production industry were the Cotton Gin, water frame, spinning jenny, and flying shuttle. All these technological inventions made cotton textile production easy, fast, and efficient.

- c. Explain why sweatshops exist in the U.S. which is a country in the G 8 and is considered to have well-developed retailing practices. ***Why do we have sweatshops in New York, Texas, and California? Defend your answer.***

Sweatshops still exist in the U.S even though we are considered part of the G8 because there is a large number of immigrants in the United States, but more specifically in New York, Texas, and California. Undocumented immigrants are often times willing to work under sweatshops conditions in order to provide for their families. Large companies see this as an opportunity to take advantage of these people and pay them unfair wages. According to the Dunken Law Firm, Sweatshops exist in the United States as a means of reducing costs of production and manufacturing. By reducing production cost retailers can sell their products at higher profit margins. Some examples of companies that use sweatshops as a means of production and manufacturing their products are Forever 21, TJ Maxx and Ross. Most of the sweatshops that are run by these companies are located in Los Angeles, California where there is a high density of undocumented immigrants.

Work cited:

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