

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

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 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 was played out in Latin America. The countries that were involved were located in Central America, the Caribbean and Mexico (Rosen, 2002, p. 129, par. 0).

The countries that were included were in the second act of trade liberalization were Belize, Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica, Panama, Jamaica, Dominican Republic, Haiti, Puerto Rico, Trinidad, Tobago, Venezuela, Colombia and Mexico.

Reaganomics included these countries in foreign affairs by encouraging and supporting “pro-American regimes in Central America” (Rosen, 2002, p. 131, par. 1). Reagan’s administration offer financial aid and military aid to Central America and Caribbean countries. This was in efforts to protect them from the spread of Soviet-Cuban influence.

- 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)

The United States involvement in Central America was do to the rise of communism in Cuba. When Fidel Castro came to power in Cuba, he expressed some reformation of the government and revolutionary ideals that the U.S sought as a threat to their business interest in Latin America. After many disagreements between Cuba and the U.S, Fidel Castro decided to form an alliance with the Soviet Union. He wanted to take over Latin

America by encouraging revolution and imposing his communist ideals (Steinhauer, 2014).

History could have been repeating itself because like what happened after WWII with the rise of communism influence in Asian countries was also happening to Latin America. When the United States saw that China, a power country had fallen to communism the U.S began to make efforts to restrain communism influence from infiltrating Asia. They send military aid as well as financial aid to Japan and many other Southeast Asian countries. This was in efforts to preserve the U.S business interest in Asia. Like what the U.S had done earlier in history, the U.S was now doing the same with the involvement of Latin America. They began investing and reconstruction Latin America economies.

The U.S would respond to the crisis in Central America by releasing economic aid to countries, that would help pay off some of the debt that had been caused by the continuation of borrowing money by Latin America at the time. The U.S also had placed the U.S military in some of these countries (Rosen, 2002, p. 131, par. 2).

- 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)

Two examples of military, political, and economic affairs that occurred in the Caribbean/ Central America are the *Missile Crisis of 1962; Between Cuba and USSR* and the *Failed Bay of Pigs invasion of Cuba in 1961*.

The Cuban Missile Crisis Article: U.S. Department of State. (n.d.). The Cuban Missile Crisis, October 1962. <https://history.state.gov/milestones/1961-1968/cuban-missile-crisis>.

Bay of Pigs Invasion of Cuba Article: U.S. Department of State. (n.d.). *The Bay of Pigs Invasion and its Aftermath, April 1961–October 1962*. U.S. Department of State. <https://history.state.gov/milestones/1961-1968/bay-of-pigs>.

We were asked to research events in this region because chapter 8 was about the U.S involvement in Latin American. Although Rosen’s book is very informative it gave generalized ideas of what was going on between the United States and Latin America. She did not go into detail about the specifications. By researching some of these events we can build upon our understanding of Rosen’s writing.

These events pertain to the chapter entitled “The Reagan Revolution because they are historical indicators of the impact the Reagan Administration had on Latin America. For many years the United States made many efforts in Latin America to expand trade liberalization. They provide economic aid and military power to bring down many of the communist leaders in Latin America.

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 Caribbean Basin Initiative known as CBI is a “trade investment program designed to promote economic development and political stability” (Rosen, 2002, p. 129, par. 1). The CBI program was established in efforts to stop the spread of influence of communism in Latin America. CBI would also help with the reconstruction of Latin America exports to help improve employment and pull people out of poverty.

According to the United States Trade Representative, the CBI economic status was to “facilitate the development of the Caribbean Basin economies by allowing beneficiary countries with duty-free access to the U.S market.” In other words, CBI gave quotas and tariffs were reduced to allow the trade between the U.S and other countries. The beneficiary countries were countries that the U.S allowed to establish factories and business in Latin America.

The purpose of developing programs that would support new opportunities in the Caribbean was to help reconstruct and stabilize Latin America political and economic status. But the U.S also had other underlying motives such as lower-wages available in Latin America as well as the opportunity for U.S textile producers to create a new market for textiles producers (Rosen, 2002, p. 140, par. 0). The United States export processing of Basin apparel would allow them to be able to once again compete with Asian producers.

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



Figure 1. Map of Central America and the Caribbean

Work cited:

Rosen, E. I. (2002). *Making sweatshops: the globalization of the U.S. apparel industry*. University of California Press.

Steinhauer, J. (2014, December 19). *A Historical Perspective on the Cuba-U.S. Relationship*. A Historical Perspective on the Cuba-U.S. Relationship | Insights: Scholarly Work at the John W. Kluge Center.
<https://blogs.loc.gov/kluge/2014/12/historical-perspectivecuba-u-s-relationship/>.

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