

**Fashion Economics: FM 4339**

**Quiz #10 The US Textile Industry**

**Chapter (11 & 12)**

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

In order to understand the ways in which sweatshops develop and are exploited, it is necessary to take into account how textile mills, manufacturers, and retailers play an important role in the retailing process. In accordance with Rosen research, it can be said that the development of textile mills throughout the 1800s laid the foundation for the US garment industry by giving producers the ability to access inexpensive labor during this time period (Rosen,2002, p.88, par 1). By making the change to mechanized manufacturing procedures, the manufacturers were able to increase their productivity, lower their prices, and produce a surplus of goods that were sold through retail outlets.

The manufacturer is a key participant within the retailing chain, contributing to our comprehension of sweatshops. Rosen points out that several strategies, such as poor pay, long hours, and hazardous working circumstances, have allowed firms to take advantage of workers (Rosen, 2002, p.226, par 1). Sweatshops, as described by Greenhouse (2005) as “workplaces that violate labor laws, frequently in dangerous and unhealthy conditions, and pay less than a living wage,” have risen as a result of this mistreatment. Additionally, the retailer contributes significantly to the growth of sweatshops. Stores are motivated by profit, as well as according to Rosen it shows they are continuously looking for ways to cut expenses (Rosen, 2002, p.188, par 1). This has caused a reliance on cheap foreign labor, frequently from nations where labor rules are not strictly enforced. This labor abuse has significantly influenced the expansion of sweatshops.

As a result, both the producer and the retailer have contributed significantly to the growth of sweatshops. Manufacturers have used low pay, long hours, and hazardous working conditions to take advantage of their workforce, while the need for low-cost labor has been fueled by retailers. They are responsible for continuing the downward spiral of sweatshop labor. In the words of Greenhouse (2005), “Sweatshops are not an accident, but rather the result of a conscious decision by manufacturers and retailers to pursue profits at any cost.”

- 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 lead 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-Sahara Africa. Give examples of issues that affect sub-Sarah Africa from the Diana Sawyer Interview. (2pts)**

After World War II, when the United States started to extend its trading policies towards the rest of the nations of the world, this is one historical instance of how a country’s political agendas impacted trade policy. The American trade used to have very high tariffs, which led to their Separation (Rosen, 2002, p.14, par 2). The United States started to change its trade policy following the Great Depression. They knew then that a second great depression could come from the United States continued financial seclusion from the rest of the globe. They started to liberalize their trade laws and become more accessible to the remainder of the globe. In reality, the United States started to show

attention in Asian nations following World War II. They were essential in helping Japan and several Southeast Asian nations rebuild their garment industries.

Discussions to manufacture American clothing in sub-Saharan Africa would alter commerce by creating a more connected market. Considering the US as well as Africa, reciprocal mutually beneficial economic in addition to monetary systems might be feasible. According to Rosen, expanding trade towards Africa will lead to new, untapped markets for low-wage manufacturing there, achieving output parity amongst Africa as well as the CBI nations (Rosen, 2002, p. 205, par. 4). Additionally, this would give Africa a chance to engage in the international market. One problem affecting sub-Saharan Africa is the large number of AIDS patients. Many businesses interested in investing in and manufacturing in Africa view this as a growth barrier. The African system of government is likewise rife with corruption as well as instability. Many claims that the lack of “roads, rail service, as well as port facilities” across Africa makes it less than ideal for facilitating trade in clothing products (Rosen, 2002, p. 206, par. 3). This would only result in a delay in the creation of clothing for export within 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)**

Since China are among the globe’s largest and fastest manufacturers of cotton, silk, and synthetic fiber textiles. China is regarded as a significant player within the garments industry (Rosen, 2002, p. 210, par.1). They are a significant exporter of apparel and textiles to the USA. Most of China’s cash inflow comes from exporting its goods. To obtain an edge in overseas markets, they deliberately raise as well as depreciate the Yuan (Fernandez, 2019). China has an unfair advantage because the Yuan is devalued. After all, it may reduce the cost of exports to enable customers to buy Chinese goods at incredibly low costs. Consequently, this raises the price of imports into China. To maintain its economy, China keeps on deliberately influencing its currency.

**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)**

The contrast between the garment business and the autoworkers sector provides a historical illustration of how women's salaries were not equivalent to those of a different sector but of their male colleagues. Although men predominately work within the autoworkers industry, women make up a large proportion of employees in the apparel industry. Although these two industries require a lot of labor, the median annual salary within the auto industry is 149 percent higher than the median salary within manufacturing (Rosen, 2002, p. 225, par.2). The segregation of salaries for men as well as women throughout the workforce illustrated additional historical instances when women's pay was lower than those of their male colleagues. Men were paid wages that would feed a family because they were seen as the family's breadwinners. On the other hand, women were paid salaries because they would not be sufficient to support their standard of life, much less those of their families, because it was believed that they merely worked to augment their families' earnings (Rosen, 2002, p. 249, par.2). Due to this discriminatory way of contemplating, numerous women were deterred from pursuing higher-paying positions; rather, businesses preferred to provide those positions to males as opposed to women.

The Lowell Model, which served as the template for several production firms all over the world which have breached as well as still violate gender equality, has shone attention on the challenges faced by women working in low-wage industries. The Lowell Model required women to leave their homes and live in dormitories supplied by the factory, where they worked as young girls as well as women in community-based businesses. Businesses that employed them. Women suffered a great deal of moral

anguish under these living conditions (Rosen, 2002, p. 240, par.2). The ladies who labor in fence and barbed-wire-enclosed areas in El Salvador constitute a prime instance of this (Rosen, 2002, p. 242, par.1). As they penetrate and exit these zones, the women are patted down and investigated.

These ladies frequently labor six days a week in shifts lasting 11 to 20 hours. They would be physically beaten or dismissed if they declined to work extra. They are also scheduled for sporadic pregnancy test examinations to ensure they are not pregnant. These ladies are immediately fired if it is discovered that they are expecting (Rosen, 2002, p. 242, par 3). This is an invasion of their privacy and a tactic for controlling them. They are denied the chance to procreate and the right to possess their bodies. Additionally, these women are refused access to healthcare as well as receive extremely meager pay that is insufficient to meet all of their living expenses. As stated by Rosen, "After paying bus fares to and from work, and \$57.07 per month in rent...workers are left with just \$1.08 per day" (Rosen, 2002, p. 242, par.2). Sadly, many of these moms feel compelled to give their kids coffee and lemonade instead of milk since it is less expensive. Merely put, they are unable to purchase it.

**d. 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).**

The September 11th incident impacted global clothing sourcing since it prompted the United States to stop participating in and engaging in commerce with some nations. This incident sparked extensive tensions between Europe, the United States, as well as middle eastern nations. The United States had pledged to assist Pakistan by cutting tariffs and quotas. However, due to September 11, 2001, several contracts that American garment businesses had involving Pakistani garment makers were terminated. Pakistan was now seen as a region that no longer possessed a favorable business climate for trade in the garment sector because of the wars between the United States as well as several middle eastern nations (Rosen, 2002, p. 247, par.2). There have been several disputes and wars involving Afghanistan and Pakistan due to the United States' compelled presence of military personnel in Afghanistan. The United States' investors withdrew from these nations because of concern for the terrorism developed there. That led to consumer utilization within those nations declining. Due to most of the globe's unwillingness to trade with these nations, numerous employees encountered themselves out of a job.

## References

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