

Fashion Economics: FM 4339
Quiz #10 The US Textile Industry
Chapter (11 & 12)
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Rosen, E. I. (2002). *The Globalization of the U.S. Apparel Industry: Making Sweatshops*. University of California Press.

- 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 citations from the book along with another creditable author on this topic. (2pts)**

The development and progression of textile mills within the United States played a significant role in the nation's history. During the 1830's when there was still a significant amount of American textile mills, they were a vital source of jobs in fact people were moving to urban areas just to obtain jobs at the textile mills (Missouri State Parks, 2023). The jobs which the textile mills created accounted for a major part of the United States economy at the time. As labor regulations became stricter in the United States, American businesses were looking abroad for textile mills. Over time new legislation was being passed by the United States government to make international trade easier for companies. "The TDA has made it possible for U.S. mills to form alliances and joint ventures with partners in CBI nations in order to build textile mills in those countries, and producers in the region are now able to plan for the development of full-package production" (Rosen, 2002, pg. 207, par. 1). Legislation regarding trade policies helped companies to source their labor for textile mills abroad and receive higher profits compared to if they were to continue using American mills. One can see the connection between unionization and labor laws rise in popularity in the United States and the demand for sourcing workers abroad.

The United States manufacturing industry was mainly based on the Lower East Side of New York City. During the late 1800's and early 1900's many Eastern European and Southern Italian immigrants moved to the area and worked in apparel manufacturing making the area known for its factories (Jewish Women's Archive, 2020). Similarly to American textile mills, American manufactory factories suffered as companies began sourcing labor abroad.

Moving manufacturing to East Asian nations was more profitable than remaining in the United States. “U.S. producers went to Japan and contracted with Japanese manufacturers to produce them for export to the United States. They were sold in U.S. retail stores for one dollar each, while comparable blouses made in the United States cost consumers three to four dollars” (Rosen, 2002, pg. 103, par. 3). It was simply more profitable to move manufacturing abroad than it was to keep it in the United States even though that meant adding to the unemployment rate. Offshoring jobs dramatically impacted the workforce as the people who were previously working in manufacturing would now have trouble finding work as more and more companies moved abroad.

Retailing has undergone countless changes throughout history and today looks nothing as it did when the apparel industry was first gaining traction. “Today, however the highly concentrated, vertically integrated U.S. retail transnationals like Wal-Mart, Federated Department Stores, and the Gap selling vast quantities of apparel, have put many of the smaller stores and even some of the larger department stores out of business” (Rosen, 2002, pg. 177, par. 1). When looking at family owned “mom and pop” stores one can see how much they have struggled to stay afloat as larger vertically integrated retailers have taken over. Today it is harder than ever for smaller retailers to compete. This also applies to brick and mortar stores as websites like Amazon and e-commerce in general has become increasingly popular among consumers.

Sweatshops are workplaces where unskilled laborers work long hours, receive low wages, and have dangerous working conditions (Smithsonian, 2023). Sweatshops in the textile and apparel industry are not something of the past but even today in the United States continue to be an issue. “Apparel sweatshops in the United States tend to be concentrated in New York, California, and Texas, but they can also be found in most other large American cities, where they typically employ groups of new immigrant women. Indeed, women in today’s U.S. apparel industry often work more than eight hours a day in conditions that lack elementary safety and other legally required protections, earning less than the minimum wage” (Rosen, 2002, pg. 3, par. 3). Although often when one thinks of a sweatshop it is thought of far in the past or in poor nations abroad, sweatshops remain an issue even in modern day America. Although it is true that a majority of the textile and apparel industry has moved abroad one can not argue that the issue has been completely removed from the pieces of the industry that remain in the United States today.

Rosen, E. I. (2002). The Globalization of the U.S. Apparel Industry: Making Sweatshops. University of California Press. (cont.)

- 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 effect sub-Saharan Africa from the Diane Sawyer Interview. (2pts)**

After World War II in 1954, the United States got involved in Japan’s textile industry as part of a political agenda. “The creation of positions of strength in Western Europe and Japan to curb Soviet and Communist influence” (Rosen, 2002, pg. 32, par. 1). The entire purpose of selecting Japan as a place for the United States to have a presence was to prevent anymore nations falling to communism. At this time the Cold War was beginning, and the Soviet Union had turned several other nations to communism. The United States not only carefully selected Japan as their country of choice but also carefully considered which industry to rebuild. The U.S. occupation targeted the textile industry as a key industry to rebuild, in part because of the reluctance to encourage the rebuilding of industries which might aid future aggressions” (Rosen, 2002, pg. 28, par. 5). Textiles were the safest route that the United States could select, the industry was not producing anything that could danger the United States and was in desperate need of help post World War II. The United States was not doing all of this out of kindness, but it was instead a strategic political move to gain some control in East Asia. This decision ultimately was successful and created a positive relationship with Japan that has remained even today.

In the Diane Sawyer interview, it is mentioned that Brad Pitt is working with the ONE campaign. She explains, “one new focus in Pitt’s life is a nationwide movement called The ONE Campaign, aimed at convincing Americans to fight poverty and the spread of AIDS in Africa” (Sawyer, 2008). The interview highlights areas in sub-Saharan Africa where children lack opportunities and families struggle to make a living. If the United States was to have their apparel made in sub-Saharan Africa there is the possibility of improving their quality of life. This would be similar to what occurred between the United States and Mexico with the rise in maquiladoras. Maquiladoras are assembly plants like sweatshops that are owned by wealthy corporations in Mexico (Sternquist, 2007). The maquiladoras created jobs for Mexicans, and although the pay was low compared to wages in the United States they did help to support Mexican families. Expanding into sub-Saharan Africa could result in a similar situation where although the wages may be low compared to what American’s would consider to be a living wage, that money can make a huge difference in the quality of life for many struggling African families.

- 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 considered to be a major player in apparel production because they are a major producer of textiles today, with their apparel textile, apparel, and accessory exports valued at \$323.344 billion (Paryadath, 2023). The apparel industry is a major part of the Chinese economy and makes them one of the top players in the industry worldwide. "Having 15 million of its workers employed in the textile and apparel industries (Rosen, 2002, pg. 215, par. 2). The amount of people which the industry employs in China shows just how vital the apparel industry is to China's economy and the lives of the Chinese people. Although one could argue the worker's pay is low and not a livable wage, that is what has made China such a good competitor. More countries want to work with them because the low wages give higher profits, and it is an easy way to cut corners.

China devaluing the Yuan gives them a competitive advantage in the global market. "By devaluing its currency, the Chinese government has been able to amass large foreign exchange reserves and, at the same time, to promote its exports and discourage imports" (Rosen, 2002, pg. 211, par. 1). This is an example where devaluing the Yuan has worked in China's favor and was a method used to boost their economy. As stated by Rosen, this method was effective in promoting Chinese exports and keep imports low, a method to keep other countries purchasing from China and limit the amount of money China is investing into other countries' economies.

On the other hand, devaluing the Yuan also has a downside to it as it reduces China's purchasing power. "China's luxury market will contract by as much as four per cent this year as shoppers become more price sensitive. And now, a yuan that doesn't stretch as far for Chinese consumers will pose another threat" (Fong, 2015). The devaluations hurt the average Chinese consumer who must budget with Yuan that are not worth much. As a result, discretionary spending on luxury products will go down and that market will suffer in China. Consumers won't be looking to spend money on extra products they will instead focus on saving and making their money last for essential items.

- 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 Triangle Shirtwaist Factory fire in New York City led to several changes to be made for the rights of women workers in the apparel industry. The International Ladies' Garment Workers' Union (ILGWU) were extremely active after this tragedy and were able to make a lot of change for women. "It was not until after the successful organizing drives of the 1930's, the New Deal, and the prosperity of the early postwar years that the power of the International Ladies' Garment Workers' Union was felt. Women sewing operatives, now often members of this union, received good wages, paid vacations, and medical benefits, and when work was slow, could collect unemployment insurance from the federal government." (Rosen, 2002, P.1, Par 2). Prior to this movement women workers in the apparel industry were not treated fairly. Companies took advantage of these women not granting them basic rights which at the time many men were able to have. As stated previously by Rosen, ILGWU was able use the attention brought on by the tragedy at the Triangle Shirtwaist Factory to bring about positive changes for women workers.

A second instance when women workers were not given equal treatment as their male counterparts was during the 1950's when runaway shops were become a common occurrence. Within the textile and apparel industry most workers were women, so runaway shops became a women's issue because they were the main ones being impacted by them. A runaway shop is when a factory will relocate with little to no notice to avoid unionization and other labor regulations dictated by state laws (Miriam-Webster, 2023). This was occurring more and more as northern states were creating stricter labor laws and unionization was rising in popularity. Once again ILGWU had to step in to defend these textile and apparel workers who once again were mainly women. In one instance the organization had to negotiate with manufacturers and advocate for the women workers to be treated fairly, "Eventually the employer and Dubinsky agreed that the former would pay a significant fine to the union in lieu of honoring the labor contract." (Rosen, 2002, pg. 101, par. 2). Fortunately, in this case ILGWU was able to advocate for these women workers but there were several other cases where women were left without work because of runaway shops who didn't want to support their unionization.

The Lowell Model was production model designed so every step in the manufacturing process was conducted at one location by young women rather than men or children (Brooks, 2017). Although young women were provided with a source of income and prioritized for the work, the treatment, and conditions they faced were unethical. This is an example of how young women were taken advantage of in the textile and apparel industry during the 1800s in the United States. "Women worked some 73 hours each week, averaging 13 hours a day Monday through Friday and 8 hours on Saturday. The typical workday began at dawn or even earlier in the summer

and lasted until 7:00 or 7:30 p.m. with only 30-minute breaks for breakfast and midday dinner.” (Rosen, 2002, pg. 240, par. 2). These conditions were exploitative and benefitted the owners of the manufacturing factories more than it could ever benefit the young women. These conditions show how women were sought out specifically for jobs in this industry just to be treated unfairly and exploited. The Lowell Model targeted young women who needed the work and were easy for manufacturers to take advantage of.

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

The terrorism events that took place on September 11, 2001, had a significant impact on the international sourcing of apparel. This can be seen in the way which the relationship between Pakistan and other nations such as the United States had changed. “In June of 2001, Pakistan had requested from the United States additional trade benefits higher quotas and lower tariffs for its clothing exports, After the events of September 11, both the European Union and the United States agreed to provide Pakistan with tariff and quota concessions to mitigate losses suffered by exports from this country. As a result of the hostilities. Yet by October the retail press was reporting that major U.S. apparel companies had withdrawn their contracts with Pakistan’s apparel producers” (Rosen, 2002, pg. 247, par. 2). Post 9/11 the United States and the European Union were much less willing to conduct trade or take part in the economy of Pakistan. The withdrawal of contracts between Pakistan and other nations was a direct result of terrorism.

Another way in which the events of September 11, 2001, affected the international sourcing of apparel was the way it hurt poor nations. “In the wake of the economic downturn of 2001 and the events of September 11, the potential for the footloose apparel industry to promote economic development in poor countries, and to sustain the welfare of its women workers, looks increasingly dubious” (Rosen, 2002, pg. 247, par. 2). The detrimental economic impact of 9/11 led to a series of economic issues across the world. This was not just an issue for the United States, but it was in fact an international issue that impact international economies and markets. Unfortunately, once again this was an issue directly impacting women workers within the apparel industry. The apparel market had slowed down with a lack of consumerism and the majority women workers in the industry were facing unemployment and seeing their country’s economies struggle to stay afloat.

Terrorism had a major impact on consumer consumption, post 9/11 consumerism significantly fell which then also had an impact on the United States economy. “Fear of terrorism has resulted in slowed consumption, which in return

has led to large layoffs of apparel workers in export-processing industries throughout the world.” (Rosen, 2002, pg. 248, par. 1). This worked as a domino effect, where terrorism was at the start of United States economic issues. After the terrorist attacks in New York City then came a fall in consumerism, which then impacted businesses who were not able to keep their employees because of the fall in consumerism. Of course, this would all impact the economy, less spending and unemployment combined leads to an economic recession.

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