Fashion Economics: FM 4339 Quiz #10 The US Textile Industry Chapter (11 & 12)

Dr. Adomaitis

|--|

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 creditable author on this topic.

The significance of textile mills is, first of all, to meet the daily needs of people. Clothes and fabrics are also one of indispensable items in people's daily life. The second is to improve women's employment opportunities. On the other hand, it is reflected that the emergence of the textile factory is to eliminate the incorrect concept of male work outside and female work inside (Rosen, 2002, pg.23, par.2). At the same time, it also promotes the economic development of the region or country that has the textile factory (either owned by themselves or owned by the investor from other countries) because more labor forces can find jobs in the textile factory.

The significance of the manufacturer is that they are assisting the textile and apparel industries to make goods. Manufacturers tend to invest their businesses in other countries rather than in the U.S. It is because they can pay less for workers in foreign countries. Also, manufacturers can decide what kinds of materials to use to produce products. So, they can use sustainable materials to produce the goods to reduce pollution in the environment.

As part of the retailing pipeline, retailers are the most indispensable existence. It is because the significance of retailers is that they act as intermediaries between manufacturers and customers. It would be inconvenient for customers if there were no retailers. It is because retailers provide a place where customers can shop. Compared with textile mills or manufacturers, they deal more with the processes

from the fabric to the finished product of the garment, while the selling part is handed over to retailers.

One would choose textile mills to led to the reader's understanding of what a sweatshop is. That is because "sweatshop" is another expression for textile mills. Textile mills and sweatshops are doing almost the same thing -- producing products that are related to clothing. In the past, people did not call the place where they made clothing products a textile industry, they called it a sweatshop instead. Labor forces who worked at sweatshops back then had low wages, worked more than eight hours a day than people do now, and the environments were unsafe (Rosen, 2002, pg.2, par.3). Today, more people would call it textile mills instead of sweatshops. But the only thing that has changed is the name, although the working environments in textile mills are better than a decade ago. Some situations remain the same; for example, wages are among the lowest in all industries, and working hours are still long (White, 2022).

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 effect sub-Sarah Africa from the Diana Sawyer Interview.

Historically, trade policy was actually influenced by the Reagan administration. The Reagan administration favored freer trade (Rosen, 2002, pg.119, par.1). That means more slack on export quotas and tariffs.

The imminent change in trade is that Asian garment factories will have one more competitor, which is Africa (Rosen, 2002, pg.205, par.2). This may lead the U.S. to focus its garment imports on sub-Saharan Africa instead of exports from Asia; the exports of clothing from Asia to the US would be reduced. But if the United States makes clothing in sub-Saharan Africa, it will create greater challenges. This is because the first thing to know is whether the physical condition of the workers is capable of doing the job. However, there are a very large number of people suffering from a contagious and currently incurable disease — AIDS (Rosen, 2002, pg.206, line 4). Some of the symptoms associated with AIDS, such as recurrent fever and fatigue (HIV.gov, 2022), may cause a person to not be able to work in a pressured working environment.

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.

It considered a major player in apparel production because China has become the largest textile manufacturer in the world, and almost more than half of the textile products are made in China (Rosen, 2002, pg.210, par.3). This can also be confirmed by one's wardrobe. When they look at the clothing products in the wardrobe, most of the labels on the clothes say, "Produced in China." At least one's wardrobe is like this. One buys most of her jeans from Abercrombie & Fitch (in New York State), but none of them say "Made in the USA" on the label.

Yuan devaluing brings advantages to exports (Hayes, 2019). A depreciation of the yuan means that the price of goods will drop, which will attract the attention of other countries, and the export volume will greatly increase in China. For example, China and another country (call it I) simultaneously produce the same product and export it to the same country with the same production materials and workers' wages. If the export price of that commodity is priced at \$20, but since the Yuan is currently depreciating, the price of the commodity exported by China will drop (say \$15). Then, other countries will choose China's goods over country I's goods because they are cheaper. China market may profit on export more when inflating the Yuan (Bovaird, 2022). It is because the goods' price will increase as the inflation happened, then the export price will also be affected (increase).

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.

Figure 2 on page 226 shows one of the examples of how wages are unfairly divided between male and female workers. Most workers who worked in Motor Vehicle are men (Rosen, 2002, pg. 225, par.1), the wage percentage ranged from around 120 to 160% from 1960 to 2000. However, during the same time, for workers who worked in Textiles and Apparel, the wage percentage was lower, at around 60 to 80%. Another one is based on the traditional mindset, Men are considered to be the "breadwinners" of the family (Rosen, 2002, pg.249, par.0, line 7-11). However, women's wages are auxiliary, so there is inequality.

Female workers were treated like slaves by their employers. Long standby times and low wages are the norm. Working time is inversely proportional to rest time, with very little rest time (Rosen, 2002, pg. 240, par. 1). Women's reproductive rights seem to be "denied by employers" because they will be fired (Rosen, 2002, pg.0). So many women choose not to have children in exchange for work to maintain their lives.

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?

The events of September 11, 2001, had a bad impact on the clothing market. One of the effects is the suspension of cooperation between some countries; the United States and Pakistan are an example of this situation (Rosen, 2002, pg.247, par.2). This means that the original cooperation has disappeared and is no longer a partnership. Terrorism is another reason that has a bad impact on the apparel market. Terrorism not only threatens the U.S. economy but also has an international impact. Garment factories around the world are experiencing this move to reduce their workers (Rosen, 2002, pg.248, par.1).

Reference

- Bovaird, C. (2022, November 26). *Why is the Chinese Yuan Pegged?* Investopedia.com. Retrieved May 2, 2023, from https://www.investopedia.com/articles/forex/030616/why-chinese-yuan
 - nttps://www.investopedia.com/articles/forex/030616/why-chinese-yuan-pegged.asp#:~:text=Pegging%20the%20yuan%20is%20a,fuel%20greater%20prosperity%20for%20China.
- Hayes, A. (2019, July 6). *Reasons Why Countries Devalue Their Currency*. Investopedia.com. Retrieved May 1, 2023, from
 - $\underline{https://www.investopedia.com/articles/investing/090215/3-reasons-why-countries-devalue-their-}$
 - <u>currency.asp#:~:text=Currency%20devaluations%20can%20be%20used,some%20negative%20effects%20of%20devaluations.</u>
- HIV.gov. (2022, June 15). *Symptoms of HIV*. Hiv.gov. Retrieved May3, 2023, from https://www.hiv.gov/hiv-basics/overview/about-hiv-and-aids/symptoms-of-hiv/
- White, E. (2022, October 13). *Are There Sweatshops in the USA?* Remake.world. Retrieved May 1, 2023, from

https://remake.world/stories/are-there-sweatshops-in-the-usa/#:~:text=While%20there's%20not%20a%20specific,are%20sweatshops%20in%20the%20U.S.