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# Making Sweatshops: The Globalization of the U.S. Apparel Industry

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tion and the cumulative impact of household savings. M. Szekely and M. Hilgent's chapter has the same focus, but examines a less dramatic set of transformations—those in Latin America in the 1990s. This chapter is the most technically sophisticated in the volume—reporting, for example, a battery of inequality statistics, and calculating the equivalent income of household members under a range of assumptions as to household size economies of scale in consumption.

Although both chapters on household income pessimistically conclude that structural change has probably increased inequality, some will ask, "So what?" One reason for caring about inequality is that it may influence other outcomes. E. Brainerd's chapter addresses the possibility that rising inequality during Russia's economic transition is a partial cause of the astounding increase in mortality among the middle-aged (particularly men) in that country. With the data available, it is hard to draw strong conclusions, but some of her results are suggestive—particularly of the important potential health consequences of large losses in relative economic standing.

A second reason for concern about inequality is the "trade-off" argument—that policies to mitigate inequality may have efficiency costs. F. El Hamidi and K. Terrell's chapter examines the impact of the minimum wage on wage inequality in Costa Rica. They conclude that the minimum wage in Costa Rica both reduces wage inequality and increases aggregate employment (as a monopsony model of labor markets would predict—that is, there is no equality/efficiency trade-off at all). Unfortunately, the book is otherwise short of analysis of the determinants of inequality.

The volume concludes with three essays that are each quite interesting in their own right but not very clearly linked to the empirical trends in "inequality" described elsewhere. A. Falk and U. Fischbacher examine the economics of reciprocity; S. Bowles presents a model of globalization and redistribution; and K. J. Arrow discusses the role of the state. However, there is no attempt at all in this volume to write an overview chapter that might link the disparate contributions—or to caution the reader about the underlying differences in conception of "inequality" that inform the separate chapters.

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*Making Sweatshops: The Globalization of the U.S. Apparel Industry.* By Ellen Israel Rosen. Berkeley: University of California Press, 2002. 347 pp. ISBN 0-520-23336-0, \$55.00 (cloth); 0-520-23337-9, \$21.95 (paper).

This book's comprehensive analysis of the globalization of the U.S. apparel industry gives the process a social, historical, and political context that the author pointedly contrasts with the neoliberal economic view of market processes. Rosen meticulously cites statistics that have been presented and interpreted by free trade and protectionist factions, by labor and industry, and by neoliberal economists and their rivals—an illuminating counterpoint, although at times the alternating viewpoints and the sheer volume of data can be head-spinning. She presents historical industry data accurately and thoroughly, with particular attention to trade policy. She identifies three stages in the movement of U.S. apparel production—from its concentration in Japan, South Korea, and Hong Kong in the years immediately after World War II through the 1950s, to the Caribbean Basin from the 1960s to the 1980s, to Mexico, Canada, and the Caribbean Basin in the 1990s, when the North American Free Trade Agreement (NAFTA) was in effect—and discusses how politics and trade policies drove this movement from protectionism to reciprocity to free trade. Rosen asks and answers the question, "Who wins, who loses?" with the movement of apparel (and textile) production away from U.S. factories to developing countries, often in special export-processing zones. Looking particularly at the female garment workers who have lost their jobs in the United States and the women who now sew clothing for export to the developed countries, she concludes that neither these workers nor the economies of the developing countries are winners, as the neoliberal economists argue.

The book can be divided into three sections. The first two chapters present the author's overarching argument rebutting the neoliberal economic paradigm so widely accepted—that outward processing in the apparel industry and free trade are good for the workers, economies, and consumers of both the developed countries that will import the apparel and the developing countries that will produce and export the apparel. That is, according to the neoliberal forecast, the developed countries will lose some production jobs, but workers will gain better-paid and higher-quality employment, trans-

national production and retailing companies will profit with lower labor costs, and consumers will pay less for their clothing. The developing countries will gain jobs that pay better than many domestic job opportunities, collect western currency as well as aid in the form of industrial development and trade advantages, and build their economies.

Rosen uses most of the book (the second section) to present a historical picture of the globalization of the U.S. apparel industry from a variety of perspectives (labor, industry, and government) through analysis of trade policies that seemed protectionist but proceeded along an inexorable path to free trade. She outlines the protectionist policies that started with Japan after World War II as the United States continued to fight the spread of communism through economic aid and trade policies. The U.S. apparel-related trade policies evolved into reciprocal trade policies that benefited the Caribbean Basin and were also grounded in this fight against communism. The final stage of trade policy liberalization and movement toward free trade included the replacement of the General Agreement on Trade and Tariffs (GATT) with the World Trade Organization (WTO), the phasing out of the Multi-Fiber Agreement, and NAFTA. Rosen outlines how U.S. apparel retailers were the big winners in this globalization process, through consolidation and price-cutting that eventually brought back sweatshops both domestically and in developing countries. She argues that these developments occurred within a gendered context, with the apparel industry paternalistically viewing female workers' wages as a secondary income to supplement the "family income" earned by the man/head of the household.

The concluding chapters summarize support for Rosen's argument that social, historical, and political processes must be considered alongside economic processes to understand the globalization of the U.S. apparel industry. The predominantly female apparel production workers set a gendered context for both the trade policies and the continual movement of production to lower-wage labor. The job loss in the developed countries is dismissed by neoliberal economists as no problem because workers can now hold higher-paying, more responsible jobs. Unfortunately, the data presented show that these unskilled female workers do not find higher-paying jobs, if they find jobs at all. In particular, the retail sales jobs that have grown in number do not pay higher wages.

The book's sections suggest a variety of pos-

sible approaches for readers to follow. Those familiar with the numerous trade agreements affecting apparel production and export/import may be most interested in the development of Rosen's argument against a strictly economic analysis of the globalization of the apparel industry in the first and last sets of chapters. Of special interest are the comparison of the apparel industry's globalization with other manufacturing industries, the consideration of gender as a factor in globalization processes, and the argument that the new apparel assembly jobs in developing countries do not contribute to long-term economic development of the countries. Those with little knowledge of the apparel industry and the trade policies that regulate it should be sure to read the middle chapters. These chapters describe the important policies that regulated the U.S. apparel industry in its globalization—among them, the Short and Long Term Arrangements leading up to the Multi-Fiber Agreement, the Caribbean Basin Initiative, and NAFTA—and also provide an understanding of the basis for these policies in a social, historical, and political context.

This wide-ranging book is likely to spark much-needed debate over the social issues surrounding globalization of the apparel industry. Readers with an interest in how globalization affects female labor, and how it may be linked to the proliferation of sweatshops, will find it of particular value.

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## History

*Labors Appropriate to Their Sex: Gender, Labor, and Politics in Urban Chile, 1900–1930.* By Elizabeth Quay Hutchison. Durham, N.C.: Duke University Press, 2001. Part of the Latin America Otherwise series. 342 pp. ISBN 0-8223-2732-5, \$64.95 (cloth); 0-8223-2742-2, \$21.95 (paper).

Recent "gendered" histories of Latin America have often looked beyond the workplace—particularly to movements tied to patterns of consumption, rather than production—in order to incorporate women more fully into the history of working people. By contrast, Elizabeth Quay Hutchison insists that the "hidden" history of women as wage workers is essential to any understanding of class formation and politics, as