

*Rural Sociology* 71(2), 2006, pp. 281–310

Copyright © 2006 by the Rural Sociological Society

## Globalizing Firms and Small Communities: The Apparel Industry's Changing Connection to Rural Labor Markets\*

*Jane L. Collins and Amy Quark*

*University of Wisconsin, Madison*

**ABSTRACT** This paper explores changing relationships between apparel firms and rural labor markets in Wisconsin over the last decade. Mainstream explanations of recent changes in the apparel industry suggest that rural communities will lose tedious or physically demanding, low-skilled apparel manufacturing jobs but will gain more information-intensive and desirable “apparel service” employment. Through case studies of apparel firms located in two Wisconsin communities, the paper argues that current changes in the industry not only affect communities unevenly but, even in regions where apparel service firms have provided significant numbers of new jobs, these jobs are less well paid, more casually structured, and less secure than manufacturing employment has been. The paper argues that current concepts of the economic embeddedness of firms in communities need to be refined to permit consideration of the kinds of leverage and voice that community organizations have in confronting new forms of corporate capital. The two case studies demonstrate that corporate embeddedness and its labor market outcomes are linked to changes in the global market in which firms compete.

In April 1997, OshKosh B’Gosh—the popular manufacturer of overalls and children’s wear—closed its apparel factory in Oshkosh, Wisconsin, where it had operated since 1895. While Oshkosh is a bustling town of 60,000, the firm drew many of its workers from the farms and rural communities of surrounding Winnebago, Waupaca, Waushara, Green Lake and Fond du Lac counties. The local newspaper expressed outrage in its coverage of the plant closing, citing “effects that rumble deeply within the fiber of a community” (Ebert 2000). That same year, some 130 miles to the southwest in the Wisconsin community of Dodgeville, another kind of apparel company seemed to be on an upward trajectory of growth and job creation. Lands’ End—a catalog and internet-based merchandiser of apparel—was by far the largest regional employer. It drew as many as 4,500 workers to its Dodgeville facility in the peak (pre-Christmas holiday) season and, like OshKosh B’Gosh, drew the vast majority of these employees from a 60-mile radius of farms and rural communities.

\* This article is based on research funded by a United States Department of Agriculture Hatch grant. The authors thank Andrea Bentancor and Deniz Ozesmi-Yildiz for research assistance, David Long of the Applied Population Laboratory at the University of Wisconsin for preparing the maps (Figures 2–5) and Gary Green and anonymous reviewers for their helpful comments on early versions of the paper. Responsibility for any errors is our own.

Focusing on these two case study communities in the state of Wisconsin, this paper examines the apparel industry jobs lost and gained in rural communities over the ten years following the implementation of the North American Free Trade Agreement (NAFTA). It explores the way that job gains and losses were linked to the competitive dynamics of the apparel industry, the kinds of jobs that were created and those that disappeared, and the implications for rural communities and labor markets. In doing so, it raises a series of broader questions about the relationship of small towns to large firms and about the social and economic development of rural communities.

Drawing on an approach developed by Peck (1996), we combine the insights that commodity chain analysis provides into the structure of the global apparel industry and its labor demands with ethnographic investigation of the institutions and practices structuring local labor markets. Using this approach, we address two theoretical conundrums: First, what is the nature of rural jobs created by the "new economy" as it is manifest in the apparel sector? Secondly, how can we best characterize the relations between old- and new-paradigm apparel firms (apparel manufacturers and apparel service firms) and the communities where they do business?

### **Theory and Approach**

#### **Old and New Apparel Jobs: Theories of "Creative Destruction" and Flexible Specialization**

For many economists and sociologists, the story of these two firms and their local labor markets is evidence that the economy is functioning as it should be, reflecting processes of globalization and change that will ultimately bring prosperity to U.S. workers. Economists often frame these changes as "creative destruction," Josef Schumpeter's term for the loss of outdated and less competitive industries and jobs and their replacement by those employing new technologies and new kinds of workers. Neo-liberal economists of the 1990s and early twenty-first century embraced Schumpeter's concept as a way to frame the job loss that attended new waves of globalization in those decades (Christensen 2000; Drucker 1994; Foster and Kaplan 2001; Friedman 2000). Citing the 1.5 million jobs that disappeared in apparel and textile industries between 1973 and 2002, Thomas Grennes, of the neo-conservative Cato Institute, wrote that:

[T]hese employment figures from a single sector of the U.S. economy might leave the mistaken impression that the entire U.S. economy has been shrinking. On the contrary, this extended period was one of extraordinary prosperity ...

Declining employment in certain traditional industries did not prevent increasing affluence for the average American. (2003:543)

Just as there is a glib lumping together, in Grennes' account, of disparate historical moments—the economic growth of the 1960s, the oil shocks and restructuring of global financial institutions of the 1970s, the recession of the 1980s and so forth—there is little recognition of the geographic unevenness of this process. Grennes does note that workers from the textile belt of North Carolina may have to migrate elsewhere, but his emphasis is on the productivity and prosperity of the “aggregate” worker and not specific regional economies or life stories. Grennes notes that workers must be prepared to learn the new skills that accompany globalization and technological change, citing electronic commerce and long-distance services as particularly important for the early twenty-first century.

With similar optimism, economic sociologists have suggested that new post-Fordist forms of economic organization offer hope to communities affected by the loss of traditional manufacturing jobs. For industry as a whole, they have suggested that flexible specialization—the shift to small-batch, high-value production—offers an alternative to traditional mass production paradigms. Writers like Piore and Sabel (1984), for example, have argued that firms adopting flexible specialization techniques can respond more rapidly to changing consumer demand, can keep up with product proliferation, and can fill orders in the timely manner required by the new economy. For the apparel industry in particular, economic sociologists have seen hope in the ability of communities to move “up the apparel value chain” into more skilled and lucrative niches in design, marketing, and Internet order fulfillment (Appelbaum and Gereffi 1994; Gereffi 1999). They argue not only that these activities generate better jobs, but that they are more likely than manufacturing jobs to remain in the United States as globalization continues. The apparel trade press also touts the industry's creation of “knowledge-based” service jobs in the United States to support the sewing of apparel in other parts of the world (Kessler 2001).

From a distance, these accounts would seem to offer a reasonable interpretation of the experience of the two Wisconsin communities on which this project focused. The loss of jobs at OshKosh B'Gosh could be understood as part of a process of outsourcing and deindustrialization affecting traditional manufacturing, while the arrival and growth of nationally known firms like Cabelas (Prairie du Chien, Wisconsin) and Lands' End (in Dodgeville) are seen as an economic development “miracle” that promises to breathe new life into languishing rural

economies. Qualitative research on the two firms and two communities did not support this interpretation of recent economic history, however. Surprisingly, it revealed that the new, more technologically-sophisticated apparel service jobs brought by Lands' End were not more skilled and "interesting" than apparel manufacturing, but were less stable, less skilled, and less well-remunerated than traditional manufacturing jobs in the sector. This suggests that creative destruction not only leaves some communities and regions behind, but that the new "knowledge-based" jobs it generates—even those in more lucrative niches of the apparel commodity chain—may not offer the same level of security and well-being as "unskilled" apparel assembly jobs.

### **The Social Embeddedness of Apparel Firms: Theories of Social Regulation and Moral Economy**

The case studies highlight an additional dimension of economic development process that is especially relevant for rural sociology. Many rural sociologists who address development issues emphasize the significance of locality—or place-based characteristics—in shaping economic outcomes. These studies (Falk, Schulman, and Tickamyer 2003; Lobao, Brown, and Digiacinto 1999) point to the embeddedness of firms in specific local contexts and demonstrate the moral economic principles and social regulatory practices that govern corporate actors in local labor markets. Our search for evidence of such embeddedness in the two case study communities yielded surprising results. OshKosh B'Gosh, with its local ownership and Board of Directors, its history of unionism, and its long-term employment contracts was indeed socially embedded and regulated by processes unfolding at the local level. This began to change in 1987 when the company's stock was first publically traded on Wall Street, making it susceptible to new pressures from shareholders. The ability of community members to influence the firm further declined with the heightened competition attending the globalization of the apparel industry in the 1990s.

In the case of Lands' End, the company entered the community of Dodgeville as a powerful outside actor, negotiating a wide range of concessionary arrangements as a condition for its presence. As Harvey and others have noted, when capital moves across the surface of the globe, it pays special attention to particular qualities of spaces (1989:271). Lands' End directors chose Dodgeville as a location because of the perceived low costs of labor, real estate, and other amenities. Without a history of ties to the community, with top executives residing in Madison or Chicago, without a union, and with increasing corporate consolidation (Sears bought Lands' End in 2002,

and K-Mart bought Sears in 2004), local actors found it extraordinarily difficult to influence corporate decisions or labor practices in any way. The contrast between the two case studies suggests that we cannot assume an equal degree of embeddedness to be a feature of every local setting. Rather, there is a continuum of social embeddedness: from situations where communities have more social control to those where they have less, and from those where power is more evenly distributed between firms and their local workforce to those where corporate actors dominate the scene. This perspective suggests that higher degrees of embeddedness—in the sense of local influence, regulation, and control of corporate behavior—is something for which communities may, on occasion, struggle. It is a site of contestation in contemporary regional economies.<sup>1</sup>

### **Conceptual Approach: The Social Regulation of Local Labor Markets**

The framework we used for assessing the economic case studies is social regulation theory as applied to local labor markets—an approach developed by Peck in his 1996 book *Work-Place*. Peck's framework posits that labor markets are embedded in social landscapes and institutions and are, for this reason, highly variable. They are socially regulated—by law, policies and rules—but also by locally constituted moral economies and work norms, and by institutions such as unions or employer organizations (1996:11). Local labor markets are the sites where firms recruit workers, assign them to tasks within the company's division of labor, and discipline or control them. They are the context within which workers sustain and reproduce themselves physically, socially, and culturally. As such, they are also sites of negotiation, resistance, and accommodation.

One of the strengths of Peck's approach is his recognition that regulation occurs at multiple levels: international, national, the level of states like Wisconsin, and the local level. He recognizes that the specific attributes of places and people matter to multinational corporations. Firms choose locations based on features they perceive will give them competitive advantage. As they locate their operations in new parts of the world, their strategies come into contact with the institutions and

<sup>1</sup> We are aware that not all dense ties between communities and employers operate in the interest of workers and their families and that there are many examples of embeddedness that serve to strengthen powerful interests (Anderson and Bell 2003; Portes and Landolt 1996; Schulman and Anderson 1999). A key example is the paternalism of the southern mill town. Nevertheless, even these highly unequal relationships give workers more leverage than some minimally embedded or "deterritorialized" relationships of subcontracting and outsourcing (Collins 2002).

infrastructure of local communities. Firms must balance the pressure to obtain profit levels demanded by Wall Street with the laws, customary practices, and moral economies of the places where they construct their operations. Labor practices and union presence, tax policy and economic subsidies, all become sites of negotiation and struggle as mid-level managers seek to implement policies constructed by headquarters, working through local institutions and cultures.

Labor markets are deeply rooted in local institutions and practices. Employment relations are never simply market transactions. Workers, employers and community members struggle over the terms and conditions of labor. They draw on rhetorical strategies, habits, and traditions that are familiar to all parties, if not endorsed by them. They forge provisional agreements about what constitutes justice, what is a fair distribution of rewards and efforts, and how parties should behave toward one another.

But the ground on which corporate employers, workers, and community members stand in these negotiations is not always the same. The corporation's ability to craft locally appropriate employment practices may be fettered by directives from above or the need to meet quarterly profit predictions. This varies according to whether the firm is private or public and the nature and depth of its ties to a locality. Workers with unions have institutional support for their negotiations and claims. Communities with a healthy and diversified economy are more able to withstand demands for concessionary bargaining than those whose wealth is tied to a single industry or firm. Those with functioning civic institutions are more able to defend their interests than those whose political institutions are dominated by a firm's representatives. These differences generate the locally-specific power configurations within which workers, employers, and community members meet.

Approaching our research questions from this perspective allowed us to explore not just what kinds of jobs are created, but who made those decisions, and how they were negotiated or imposed. It encouraged us to trace not just the capacities of the local labor force, but how the array of existing opportunities for education and training, as well as available jobs, shaped those capacities. It focused our attention on the power-charged dynamics involved in the shift from manufacturing to service-based employment and the specific choices and actions that led to the outcomes observed in two rural communities.

### **Economic Context: Globalization and Rural Apparel Jobs**

Dodgeville and Oshkosh are not the only small towns to be affected by changing fortunes of the global apparel industry. In 1994, the

implementation of NAFTA opened U.S. borders, without tariffs or quotas, to apparel produced in Mexico.<sup>2</sup> In the five years following NAFTA's inauguration, the Department of Labor certified over 8,000 worker groups under its Trade Adjustment Assistance Programs (TAA).<sup>3</sup> Certification under TAA meant that the Department of Labor had determined that these workers had lost their jobs as a result of trade. It qualified workers for income support during retraining, and for job search and relocation allowances. Nearly a third of the Department of Labor's certifications (31%) were for workers in the apparel and textile industries. And nearly half (49%) of certified apparel and textile workers were in rural or "non-metro" areas.<sup>4</sup>

Apparel and textile production are among the least capital-intensive of all industries, making them easy to enter, as well as to move. Labor is the industries' most significant production factor, and this has led firms to seek low-cost workers. Partly for these reasons, the "race to the bottom" in the industry dates to the mid-nineteenth century. Textile firms moved from northeastern towns to the Reconstruction South in search of cheap labor in the 1870s and '80s, while apparel firms made their exodus from northern cities a century later, in the 1960s and '70s. As a result of these cost-cutting moves, by the late twentieth century, U.S. apparel and textile factories were disproportionately located in rural areas. While the dominant image of apparel manufacturing in the United States is the urban sweatshop, nearly a third of workers in these two industries live in rural communities. Many of these jobs are clustered in the southeastern United States, but there is significant rural employment in textiles and apparel in every state in the country (Hamrick, MacDonald, and Meyer 2000:39). Thus, rural workers have been deeply affected by the 1.75 million jobs lost in the industries over the past three decades.<sup>5</sup> The majority of apparel and textile jobs are classified as unskilled or semi-skilled; most are held by women (56%), and nearly a third by minority workers (32%). These jobs are extremely important to rural communities, where the apparel or textile factories may be the sole or primary employer. Even small apparel plants have often formed the backbone of the rural communities where they do business.

<sup>2</sup> In January 2005, the end of a system of quotas called the Multi-Fiber Arrangement removed all remaining restrictions on the trade of apparel produced anywhere in the world.

<sup>3</sup> This included 6,282 certifications under the general Trade Adjustment Assistance Program, and 1792 under its NAFTA-TAA program.

<sup>4</sup> Calculated from Tables 1 and 2 (pp. 36–37) of Hamrick, MacDonald and Meyer 2000.

<sup>5</sup> According to the Labor Department, total U.S. employment in textiles and apparel peaked in 1973 at 2.45 million jobs. (United States Department of Labor, Bureau of Labor Statistics 1994). By October 2004, that number had declined to 695,800 (Ellis 2004:1).

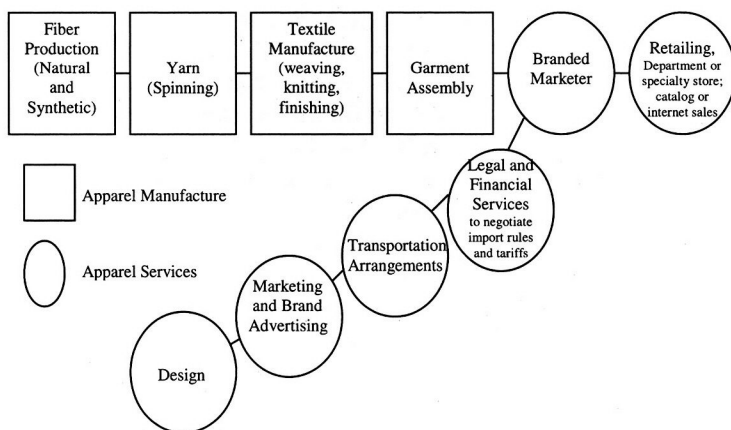


Figure 1. Apparel Commodity Chain

During the 1990s, at the same time that U.S. apparel and textile manufacturing were being devastated by global relocation, a new segment of the industry was growing and moving to rural areas. This was the “apparel service sector”—linked to the rise of branded marketers of apparel (see Figure 1). Branded marketers—like the Gap, Liz Claiborne, Ralph Lauren, or Lands’ End—do not produce apparel on their own, but organize the design, branded marketing, and distribution of apparel made by subcontracted companies. This allows them to offload risky and less profitable segments of the apparel commodity chain, such as textile manufacture and apparel assembly, and to concentrate on more profitable segments such as design, marketing, and Internet sales (Appelbaum and Gereffi 1994:44). The U.S. operations of these firms support the import of clothing manufactured elsewhere. While some branded manufacturers located their design and marketing offices in urban settings, a number discovered the benefits of a rural location for the call centers and order fulfillment operations that serve catalog and Internet-based sales. Catalog merchants like Lands’ End, Cabelas, and L. L. Bean found that low rents, fiscal and tax incentives, and low wages made rural communities an attractive place to locate these new “apparel service” jobs. The expansion of what Richardson and Gillespie (2003:87) have called “distance-shrinking” information and communication technologies link these sites of rural service provision to corporate “command activities” that may remain in urban areas. Some companies, such as Lands’ End, however, located their entire complex of service operations (including top management and design functions) in a rural site.

These changes in the geographic distribution of jobs within a single industry raise a host of questions for rural communities. What kinds of



jobs are being created? Has the transition from apparel and textile manufacturing to “apparel service” jobs improved rural employment in terms of the skills required or benefits received? How well do these new jobs fit the available workforce in rural communities? Answering these questions requires an ability to simultaneously track local and global forces. It requires analysis of the local labor market—which we are defining in this research as a site where “flows of capital accumulation collide with structures of community” (Peck 1996:15). Because the fate of rural workers in these new jobs is now tied to production processes broadly distributed across space, analyzing that fate requires attention to global competitive pressures and regulatory measures as well as local capacities and needs.

### **Methods: Case Studies of Globalization**

Rural Wisconsin might seem to be an unusual place to study the dynamics of a global industry but, in fact, it can tell us a great deal. Drawing on Michael Burawoy’s extended case method, this research studied specific social situations (or cases) in terms of the external forces that shaped them. In Burawoy’s words, the significance of the case is “what it tells us about the world in which it is embedded” (1991:4). This significance is “societal,” rather than statistical, and the explanations it produces are genetic (having to do with roots or origins), rather than generic (having to do with typification).

We began this research by studying the way that global trends had affected the industry in the state of Wisconsin. Drawing on state data bases maintained by the Department of Workforce Development, and supplementing them with phone calls when necessary, we tracked firms and jobs over the period 1990–2000. We used locational codes to map the distribution of firms and employment, as well as wages, earnings, and hours worked, throughout the state. This provided a detailed picture of which parts of the state were gaining and which were losing as a result of the shift from manufacturing to service jobs in the apparel sector, as well as the net effects of job loss over the decade.

To address the way in which rural communities were experiencing these shifts, we used a different set of methods. We chose two firms as case studies for more detailed analysis. The first, OshKosh B’Gosh, located in Oshkosh, Wisconsin, was in many ways a paradigmatic apparel manufacturing firm. A “home-grown” company that began operations in 1895, it weathered the storms of the industry over the 1990s only to close its Wisconsin factory in 1997. The second case study company was Lands’ End, a direct marketer of apparel which set up catalog operations in Dodgeville, Wisconsin in 1978 and moved its corporate headquarters

there, from Chicago, in 1990. In addition to its corporate command operations, it employed nearly 4,000 customer service, order fulfillment, and technical support workers in Wisconsin in 2003.

We used a commodity chain analysis to develop an understanding of the location of the two firms in the shifting dynamics of a large global industry, tracing their linkages to Wall Street and Madison Avenue, as well as to offshore factories and retailers. Drawing on interviews with company personnel and workers, local newspaper accounts, and company documents, we prepared detailed economic histories of both firms. These accounts focused on the ways that the firms experienced and responded to changing competitive pressures as well as their role in the regional economy and their interactions with local government and workers. The case study firms are not "generalizable" in the sense of representing some statistically average condition. But they provide a window into the processes shaping the global apparel industry as it intersects with rural communities, and these insights are potentially transferrable to other rural regions struggling with the dilemmas of manufacturing job loss and the fraught bargains of new forms of service employment.

### **Mapping Apparel Job Change in Wisconsin**

The relationship between manufacturing operations in Wisconsin's small towns and cities and the state's rural population has always been a close one. As the state's Department of Workforce Development notes,

... the strong rural composition of its workforce provides the state with the worker base for its numerous metropolitan areas .... Workers from surrounding counties drive to metropolitan communities for jobs and to shop and then return to their outlying homes, where they find a less hectic lifestyle .... The dynamic relationship between the urbanized areas and the outlying population brings economic vitality and social involvement .... (Grosso and Gehrke 2004)

Like other industries, apparel and textile factories located in towns and small cities throughout the state drew substantial numbers of their workers from farms and rural settlements.

While employment in the apparel and textile industries peaked nationally in 1973, Wisconsin's high-water mark came in 1988. This late peak appears to have been the result of the fact that so many of the state's factories were locally owned and run. While some produced under contract for large labels, others had brands of their own. These employers found it difficult to move offshore for several reasons. Like many mid-sized apparel firms, most did not have the capital necessary for such a move, particularly the investments in the information and

**Table 1. Employment and Hours in Wisconsin's Apparel and Textile Firms, 1972–2001**

Year	Employees (1000s)	Hours/Week
1972	6.9	36.5
1977	6.8	36.3
1982	6.4	36.0
1987	7.3	38.2
1992	6.6	37.0
1997	6.2	39.3
2001	5.7	39.4

Source: Wisconsin Department of Workforce Development.

telecommunications technologies needed for quick-response production at a distance. While the cost of building a factory in Mexico or Central America was only about \$5 million in the 1990s, the price of new information systems was much larger, with initial investments ranging from \$10 million to \$75 million. These costs represented a substantial barrier to entry (Collins 2003:41). Many mid-sized firms also did not have the specialized expertise and connections that relocation and subcontracting abroad required. Finally, these companies had deep roots and personal ties in their communities, which made closing plants, or even streamlining operations, difficult. Nevertheless, from 1988 to 2002, official state estimates of employment in apparel and textiles showed a 25 percent decline (see Table 1).

The distribution of apparel manufacturing employment in the state in 1990 and 2002 is shown in Figures 2 and 3. These maps show two trends: the overall decline in apparel jobs, and the movement of jobs from relatively urbanized areas around Madison and Milwaukee to more rural settings. The map for 2002 shows fewer large concentrations of apparel employment. Figures 4 and 5 show the distribution of apparel service employment throughout the state in 1990 and 2002, reflecting the entry into the state of several large direct marketing firms.

### **OshKosh B'Gosh and the Decline of Apparel Manufacturing**

The city of Oshkosh is located in the Fox River Valley of central Wisconsin. With just over 60,000 residents, it forms the economic hub of surrounding Winnebago County. While Winnebago is categorized as a metropolitan county because of its several small cities and relatively high population density of 357 persons per square mile (Wisconsin Department of Commerce 2003), the city of Oshkosh draws many of its workers from outlying farms and rural communities. Farms cover 60 percent of the county, and forests another 7 percent. Many workers commute from the surrounding rural counties of Waupaca, Waushara, Green Lake and Fond du Lac (Grosso and Gehrke 2004).

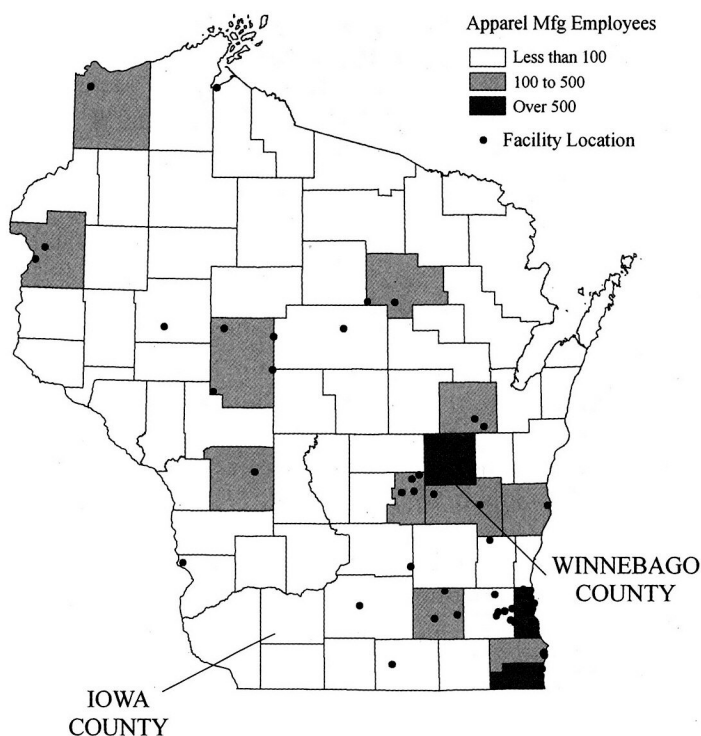


Figure 2. Estimated Apparel Manufacturing Employees, Wisconsin Counties, 1991

Located on an important navigable waterway, the town of Oshkosh began as a fur trading settlement in the early 1800s and soon became a key transshipment point for the timber industry. With the coming of the railroad in 1859, both lumbering and manufacturing flourished. The city and its surroundings developed as a center for paper mills and factories producing automobile and truck bodies, electronic components and plastics (Oshkosh Convention and Visitors Bureau 2004). While deindustrialization devastated many mid-sized communities in the 1990s, and manufacturing was displaced by services, Winnebago County continued to rely on manufacturing to provide 31 percent of its jobs (Wisconsin Department of Commerce 2003). Its median household income was \$37,636 in 2000. The county's per capita income of \$21,706 was 94 percent of the U.S. average, compared to 96 percent for the state of Wisconsin as a whole (Wisconsin Department of Revenue 2000).

OshKosh B'Gosh began in 1895 as a small regional producer of men's work clothes, primarily hickory-striped denim bib overalls for railroad workers and farmers (see Figure 6 to view the firm's historical

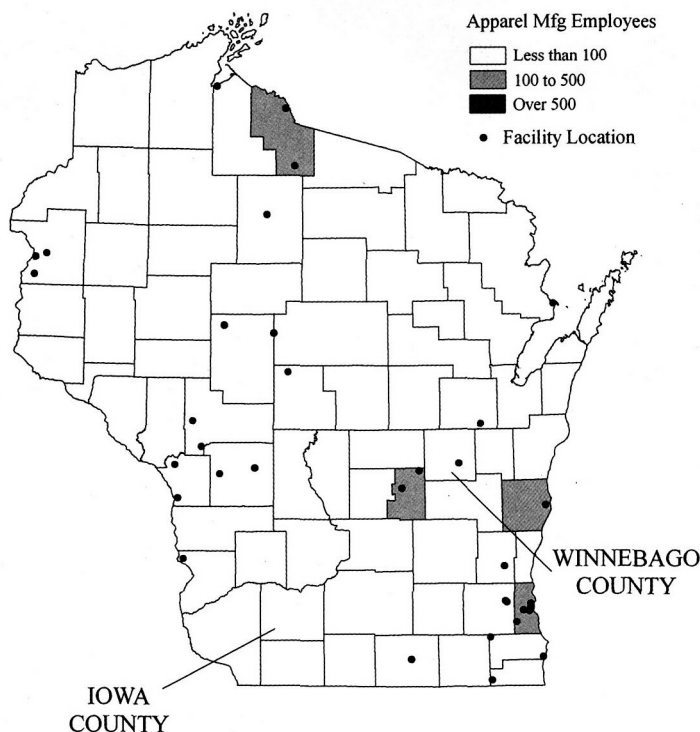


Figure 3. Estimated Apparel Manufacturing Employees, Wisconsin Counties, 2002

timeline). B'Gosh's initial labor force of ten employees affiliated with the United Garment Workers in the company's second year of operation. General Manager William Pollock, described by a former employee as "kind and fair, if hot-tempered," developed strong personal ties with his employees, who could reportedly gauge his mood by "the velocity of his gait as he walked or marched the wooden floors" (Naleid 1995). In these early days, the union held considerable influence over the organization of production. While "piecework" sewing could prove stressful for workers and quality checks were frequent, the union controlled many aspects of the shop floor, including hiring and firing decisions and the production schedule (Storm 1995b). By 1923, as the company extended its product line to pants, shirts, and jackets in addition to its standard overalls, the number of workers increased to 265.

After Pollock's retirement in 1934, Earl Wyman became Chief Executive Officer, gaining a controlling interest in the company, which had grown to 450 employees. Wyman embarked on a project to update the

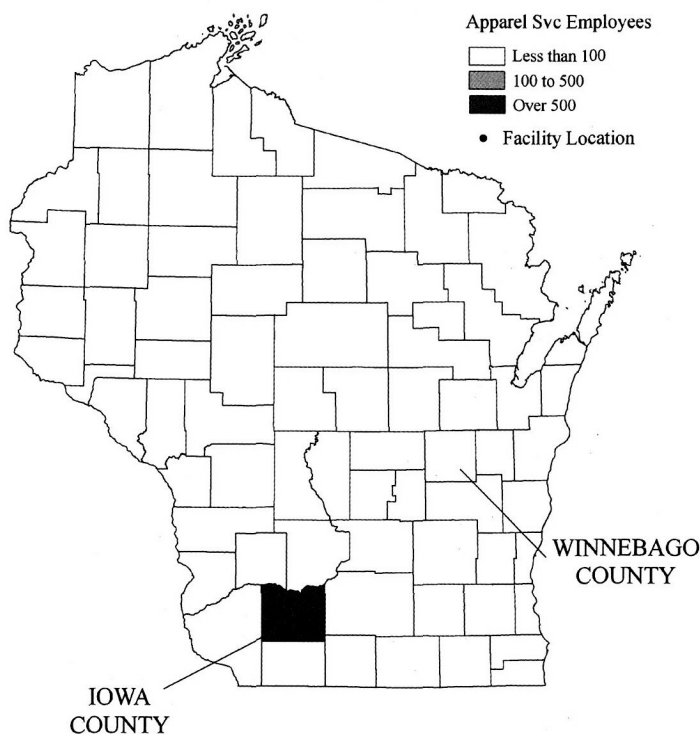


Figure 4. Estimated Apparel Service Employees, Wisconsin Counties, 1991

firm's equipment and technology, as well as the balance of power between labor and management. His connections to employees were characterized by face-to-face relationships, as he attempted to know everyone behind the sewing machines; at the same time, he considered himself as a skilled negotiator with the union, and was credited with bringing a corporate culture to B'Gosh (Naleid 1995). It was Wyman who launched B'Gosh's first efforts at national distribution in 1935, advertising on Chicago radio and in *Successful Farming* magazine. These efforts boosted annual sales to \$5.5 million by 1954. Seeking to reduce labor costs, Wyman opened a new manufacturing facility in Celina, Tennessee and, a decade later, a third plant in Columbia, Kentucky (Storm 1996b).

In the 1950s and '60s, responding to the changing apparel demands of a postwar workforce, the company began to broaden its market by including more fashion-oriented products, diversifying into jeans, shirts, chino and polyester pants, and leisure suits. It expanded its distribution geographically, moving beyond the Midwest to both the east and west coasts. Ironically, however, as the firm was courting new

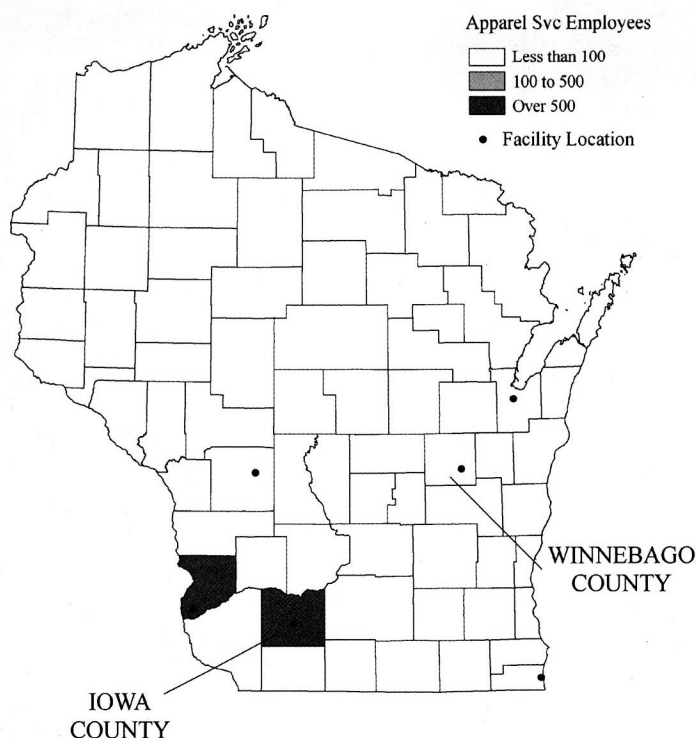


Figure 5. Estimated Apparel Service Employees, Wisconsin Counties, 2002

customers with polyester, young people were turning to traditional work clothes. The Woodstock generation took to bib overalls, offsetting poor sales in leisure suits and other pants. Capitalizing on this trend, B'Gosh saw its sales reach \$24.8 million in 1975 (Naleid 1995).

Mirroring its move from work wear to fashion wear, B'Gosh moved its advertising campaigns from placards on the sides of barns, silos, and general stores to advertisements in Miles Kimball catalogs. When Bloomingdale's, Macy's, and Saks Fifth Avenue ordered overalls for their stores in 1978, B'Gosh responded to this new opportunity by diversifying their colors and prints, and moving into production of infant wear. During a time when children's clothes were cheaply made, OshKosh B'Gosh became known for their quality products and "funny" brand name. By the late 1970s, B'Gosh had established seven plants in Kentucky and Tennessee; by 1986, they had added 11 more. That year, the company's sales were close to \$200 million, and the firm employed more than 3300 workers. By the time, OshKosh B'Gosh sold its first shares on Wall Street in 1987 (Naleid 1995), it was among the leading employers of Winnebago County.

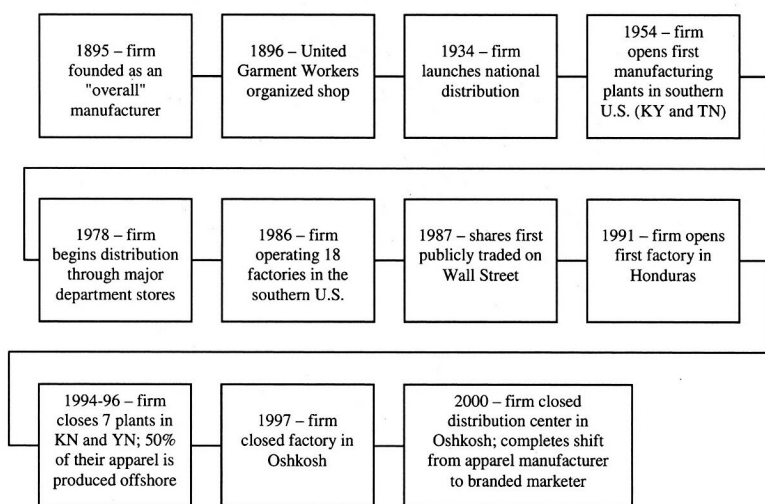


Figure 6. Timeline for OshKosh B'Gosh

While aggressive in some areas, B'Gosh was slower to adapt to other changes in the industry in the early 1990s. The competitive conditions of this decade were the worst since the 1930s, as firms faced an unprecedented deflation in apparel prices. The consumer price index for apparel was lower in 2000 than in 1991 at the same time that costs for producers rose steadily between 1985 and 2001 (Ellis 2001). Growing concentration of the retail sector drove this decline in apparel prices. While in 1990, 20 firms controlled 38 percent of the apparel market, by 1998, those retailers' share had increased to 47 percent. Among department stores in 1999, the six largest companies captured nine out of every ten consumer dollars spent (*Apparel Industry Magazine* 1999; Edelson and D'Innocenzio 1998). Because of their highly concentrated purchasing power, large retail firms held enormous leverage over clothing manufacturers. They were able to dictate the prices they would pay for items as well as to demand more rapid response to orders and investments in supply chain integration.

By the time of their centennial in 1995, B'Gosh executives were searching for ways to respond to this crisis. They hired new managers, recruited from larger and more sophisticated firms, to broaden the firm's expertise and to sharpen its competitiveness. They sought to reassert their leadership in style by reorganizing the children's wear department and opening a new Design Center in New York (since it had proven difficult to lure designers to Oshkosh). Despite the advantages that a New York location offered to those in the fashion industry, B'Gosh executives never seriously considered moving their



headquarters from Oshkosh, acknowledging the brand mystique created by this location, as well as its capacity to strengthen the firm's image as a wholesome, all-American company (Trujillo 2002).

Given competitive pressures, costs of production became increasingly important in the 1990s. So, in addition to restructuring and changing their marketing and distribution strategies, B'Gosh executives began to explore other countries as production sites. In 1991, the company leased its first foreign manufacturing facility in Choloma, Honduras (Frastaci 1998). This first step was not enough to stem the tide of losses; by 1995 the company's stock was trading at \$15–19 a share, down from \$40 in 1989. At that point, the firm established an "import management group" focused on offshore sourcing arrangements. Between 1994 and 1995, B'Gosh increased its outsourcing from 25 to 35 percent of total production (Storm 1995d), while closing five domestic plants employing 1,600 workers—in McKenzie, Dover, McEwen and Heritage Springs, Tennessee and in Marrowbone, Kentucky (Ebert 1995a; 1995b; 1996a; 1996b; Storm 1996a). With plant closures in Red Boiling Springs and Celina, Tennessee in 1996, 50 percent of the company's apparel products were produced offshore (Storm 1996b). In 1996, B'Gosh still employed 5,500 people in the United States, but also worked with 30 to 50 contract factories in Hong Kong, Indonesia, Malaysia, Thailand, China, Mexico, the Caribbean, Taiwan, the Dominican Republic and the Philippines. By 1999, B'Gosh had closed six more domestic manufacturing plants and had streamlined operations in the last four facilities. At this point, 64 percent of clothes sold with an OshKosh B'Gosh label were made offshore (Dietderich 1998; Draeger 1999b; Ebert 1995a; 1995b; 1996a; 1996c; Storm 1996a, 1996b).

In justifying these layoffs and plant closures, B'Gosh executives cited a number of driving forces. They pointed to price deflation caused by consolidation of retailers and other companies moving offshore, building pressure to produce profits for shareholders; they also noted a wage differential of \$9.50 an hour in Wisconsin compared to \$9.50 a week overseas as motivating factors (Ebert 1995c; Storm 1995d). As one of the company's financial advisors noted, "if your competition is manufacturing overseas, you may not want to do it, but you have to from a competition standpoint" (Storm 1995e). The firm shifted some of the responsibility for these decisions onto consumers as it attributed narrowing profit margins to consumers' unwillingness to pay premium prices for clothing. Federal government retraining grants offered to some workers, whom B'Gosh could claim "lost their jobs as a result of foreign competition," lent credibility to the firm's justifications and mystified the fact that "foreign competition" was in fact competition among U.S.-based transnational corporations who contracted production of their apparel abroad (Ebert 1995c).

With continued layoffs, membership in the union fell, weakening the bargaining power of workers and forcing them to make concessions to keep jobs (Ebert 1996b). Under increasing stress and job insecurity, workers chafed at the growing amount of "rework" they were being required to do (fixing defective products from new offshore factories). The union Vice President described the following situation in the factory: "From day to day we don't know what's going on here. Everyone is stressed out, management and workers alike." She added, "our plant manager told us the only reason we're making bibs in this facility now is that American workers want to see "Made in America" on the garment" (Ebert 1995b; 1996a).<sup>6</sup>

In April 1997, B'Gosh closed its factory in Oshkosh, marking the end of over a hundred years of manufacturing in that community. The union President expressed the disappointment of the workers: "the lack of commitment to us and to the community of Oshkosh is appalling. All we hear is that they need to save money and cut costs. Manufacturing here may not be the best thing for them economically, but closing this plant may be the worst thing for this community" (Ebert 1996c). In 1999, the *Oshkosh Northwestern* ran an article touting the company's turnaround growth in income and sales following its plant closures, which drew a large number of angry comments. A local columnist noted that the article had "hit a sour note with readers," who called the firm's behavior "shameful" and said that it should not be proud of profits gained by using cheap overseas labor (Draeger 1999a). In 2000, the firm closed its Oshkosh distribution center, leaving only about 340 top managers at the corporate headquarters. By 2001, B'Gosh had shifted its corporate strategy from manufacturing to licensing production of apparel under its well-known brand name.

An article in the *Northwestern*, entitled "Economic Angst," documented the impacts of the closure of B'Gosh. It noted that, while most of those laid off would find new employment, they would not find jobs with the same wages and benefits. The article interviewed local firms that provided services to B'Gosh, describing "effects that

<sup>6</sup> In fact, however, the company had discovered a way to meet consumer demand for American-made products while still using cheap labor offshore. B'Gosh was outsourcing production to subcontractors in Saipan, a western Pacific island. As part of the U.S. Commonwealth, apparel produced in Saipan can circumvent duties, tariffs and quotas imposed on imported clothing and can be labeled "Made in America." In 1999, B'Gosh and seventeen other U.S. apparel companies were charged with violating U.S. anti-peonage and indentured servitude laws and international human rights laws through their relationships with Saipan subcontracting firms. In 2000, B'Gosh and seven other companies settled a federal class-action lawsuit; B'Gosh agreed to pay \$385,000 and to contribute to an independent monitoring program for the Saipan factories (Draeger 2000).

rumble deeply within the fibers of a community” (Ebert 2000). A newspaper in nearby Fond du Lac county profiled a family who lived on a small (70 acre) farm there. The husband had been laid off from his job for a Fond du Lac machine tool manufacturer; the wife from a computer support job at B’Gosh. Both were enrolled in training programs to prepare them for new careers (in heating and cooling systems and in nursing). But their immediate financial situation was difficult—they had cut their phone and cable service and could not afford to continue paying for their health insurance (Brandl 2004). While employees of Kentucky and Tennessee plants received TAA certification soon after plant closures in the late 1990s, B’Gosh workers in Oshkosh were not certified for retraining under the NAFTA provisions until June of 2004 (Wisconsin Department of Workforce Development 2004).

### **Lands’ End and the Rise of Apparel Service Jobs**

Dodgeville, Wisconsin is the county seat of rural Iowa County—a town of just over 4,000 in a county of 23,000. It was founded in 1827 as a lead mining village, where immigrants from the British Isles, particularly Wales and Cornwall, dug for ore and established a smelter. Mining peaked in 1845 and many miners left for the California gold rush in 1849. The town remained, however, as a business and agricultural center, a role it has continued to play to the present day (Dodgeville Area Chamber of Commerce 2004).

Farming continues to dominate the landscape of Iowa County, with three quarters of land still in agricultural uses (U.S. Department of Agriculture 2002). Only 14 percent of workers find jobs in the manufacturing sector (U.S. Census Bureau 2000a), a far lower figure than in Winnebago County. The median household income of \$44,445 is higher than Winnebago County, however, and also higher than the state median. The per capita income of \$19,497 is 81 percent of the figure for the state of Wisconsin (U.S. Census Bureau 2000b). Lands’ End is the county’s largest employer (Wisconsin Department of Workforce Development 1999:5), with more than fifteen times as many workers as the next largest firm in the county.

Gary Comer founded Lands’ End in Chicago in 1962 as a mail order house selling sailboat fittings. He began to shift the firm’s focus from sailing equipment to clothing in 1977 and moved its warehouse and phone operations to Dodgeville in 1978, where he purchased five acres of land in an industrial park on the outside of town (Dodgeville Chronicle 1979). The firm also opened sewing and assembly operations

in the small towns of Boscobel and West Bend, Wisconsin (see Figure 7 for the firm's historical timeline).

By 1982, the company had 300 workers in Dodgeville, making it the biggest employer in the county, and it was looking to expand. Over the next two years, it bought 88 acres of land in the city's industrial parks, forcing the city council to waive rules limiting corporate ownership of those properties (Dodgeville Chronicle 1982, 1985). The firm was shipping 46 million catalogs by 1986 and its sales topped \$227 million. It went public, selling shares on Wall Street, that same year (Dodgeville Chronicle 1986; Rasmusson 1998).

The company's catalogs and advertising materials showcased its rural location and work force as part of a wholesome, all-American image. In 1987, for example, the company took out ads in the *Wall Street Journal* and *USA Today* that featured employee Margaret Dunbar. The ad read:

But what really amazes us about her is that every morning before she comes to work, she helps with the chores on the 239 acre farm where she lives with her husband and three adult daughters. Her specialty among chores is feeding the calves—something you do by hand in Wisconsin. (Dodgeville Chronicle 1987a)

In 1993, when the firm opened a catalog center in Oakham, UK, managers reflected on the advantages it had found in its Wisconsin workforce. One told the local press:

In Wisconsin, Lands' End found rural workers who believe in the way we do business—people who take pride and honest joy in what they do every day and sincerely believe that each customer should be treated as if they were our only customer . . . .

But he added:

We need mostly part-time employees who can work a flexible schedule . . . whose seasonal jobs and hours of employment will fit well with our flexible work schedules and busiest times of the year. (Dodgeville Chronicle 1993)

Continuing its expansion, in 1988 the company opened new call centers in Cross Plains and Reedsburg, Wisconsin (Dodgeville Chronicle 1987b). The company had always employed workers seasonally, in keeping with the waxing and waning of orders. Employment in Dodgeville could reach 4,500 workers during the pre-holiday period

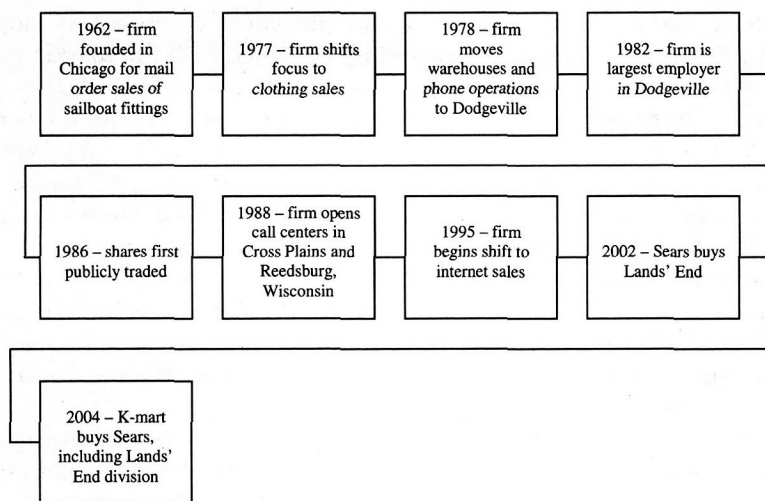


Figure 7. Timeline for Lands' End

from October to December. In 1990, the company moved its administrative center to Dodgeville, transporting its entire marketing and advertising division from Chicago (Dodgeville Chronicle 1990).

While the competitive crisis of the 1990s hit manufacturing firms hard, Lands' End was well-positioned to weather the turmoil. It owned few manufacturing facilities, operating largely as a “branded manufacturer” of goods (Gereffi 1994). This allowed it to concentrate its investments and activities in design, marketing and distribution—the most profitable nodes of the apparel commodity chain. It contracted production in 350 factories around the world, 80 percent of which were outside the United States (Thomsen Research 2002). It had made investments in the information and telecommunications technologies required to run such a global enterprise.

By 1993, Lands' End was mailing 136 million catalogs to over 57 countries and its sales topped \$734 million. In 1995, the firm began to explore Internet marketing, and by 1998 its online sales reached \$61 million (Halkias 1998). Analysts saw Lands' End's rapid dominance of online sales as built on the solid order and distribution system the firm already had in place from its catalog operations. Its pre-existing capacities in apparel services—processing orders, operating warehouses and shipping goods quickly—gave it an advantage over traditional “brick and mortar” retailers trying to establish Internet sales (Schoenberger 2002). The firm implemented a multimedia system that integrated calls, text messages, and email, allowing sales agents to use both high and

low tech modes of communication with customers. It refused to adopt interactive voice technologies, believing that its edge in the market was linked to providing personal service and "small town charm" (Fleischer 2002). In 1999, during the October to December peak period, the firm employed 2,400 sales agents in Wisconsin. The employees, 78 percent of whom were women, received 80 hours of training and an additional three hours per month to update their knowledge of products and systems (Business Wire 2002; Rasmusson 1998). By 2001, Lands' End sold more apparel online than any other retailer—\$327 million, or 21 percent of its \$1.6 billion in overall annual revenue (Schoenberger 2002). In 2002, the company had established itself, not only as one of the largest and most successful catalog firms in the country, but also the world's largest seller of apparel online.

In 2002, Sears purchased Lands' End for \$1.9 billion. The press releases of both companies claimed that the move would strengthen them: Lands' End would bring Sears a strong apparel line, stemming its loss of customers to big box retailers like Target, Kohls, and Wal-Mart, while Sears' department store venues would give Lands' End a chance to dramatically increase its revenues (Hajewski 2002). Industry analysts were less sanguine, however, suggesting that the association with Sears would tarnish Lands' End's brand image and reputation for quality (Buechner 2002; Hays 2002). When K-Mart announced its purchase of Sears in late 2004, analysts reiterated their concerns (Hays 2004). For the 3,900 workers in Lands' End's Wisconsin operations, these mergers brought anxiety about the continued viability of the brand and longevity of their jobs.

These concerns were not unwarranted as, in February 2005, Lands' End announced a number of cutbacks. This "restructuring" entailed the closure of a call center in Cross Plains, eliminating 30 full-time, 170 part-time and 345 seasonal employees (Nathan 2005, Newman 2005). The firm also cut twelve supervisors at the Reedsburg location and 175 salaried positions at the Dodgeville headquarters. Their decision to outsource cleaning services led to the layoff of the entire cleaning staff.

### **Analysis: Comparing Apparel Manufacturing and Apparel Service Jobs**

Apparel service firms, like Lands' End and Cabelas, have brought jobs to Wisconsin. As one City Councilor commented: "there are a lot of people in Southwest Wisconsin who envy Dodgeville for Lands' End. So I think we should support them any way we can" (Dodgeville Chronicle

1982). But what kinds of jobs are these and how do they affect the development of rural communities?

Many rural communities are investing heavily in drawing “new economy” jobs. Specific numbers are hard to come by, but one southern Virginia county ran a “free land for jobs” advertising campaign after apparel manufacturing plants closed down in the late 1990s. The *New York Times* has reported small towns in Nebraska applying for federal development grants to provide call centers with employee training and start-up costs and no-interest loans, and also giving them free buildings (Grossman 2004). It is difficult to know how much the town of Dodgeville invested in wooing and keeping Lands’ End, but in the early years, local papers tracked some of the concessions made. In 1982, the City Council waived rules about how much land any one firm could own in its industrial parks and sold the firm land it had previously allotted to a Civic Center. It also waived the public bidding requirements for Lands’ End to gain access to those lands. The city applied for and received over a million dollars in economic development assistance from the state for projects such as improving the firm’s water supply, sewer systems, and transportation infrastructure. Further, the city invested over \$3.5 million in infrastructure improvements for the firm through a Tax Incremental Financing (TIF) arrangement. Workers made concessions as well, voting down a union in 1981.<sup>7</sup>

Proponents of the concept of creative destruction, and sociologists who see potential for communities to move “up the commodity chain” in sectors like apparel, suggest that the jobs created by globalization will be more skilled and better paid than traditional manufacturing jobs. Nevertheless, the jobs that Lands’ End brought to Wisconsin do not compare favorably with those characteristic of apparel manufacturing firms like OshKosh B’Gosh. The average wage for manufacturing and distribution center workers during B’Gosh’s last years of production was \$15 per hour. In contrast, Lands’ End managers said that call center

<sup>7</sup> Through a TIF arrangement, a city can borrow money for infrastructural improvements on a piece of land for a firm if there is reason to believe that the firm would relocate if the improvements are not made. In return, the firm must promise to make improvements to the site. In this case, Lands’ End promised to make improvements valued at \$7.5 million. The tax revenue from these improvements is then used to repay the loans; the firm has 20 years to insure that the loans are repaid. TIF agreements are problematic because, while the firm is repaying the city’s loan, those entities that normally receive tax revenue—the school district, the vocational school, the county and the city—must provide necessary services but receive no increase in funding. City officials in Dodgeville hope to fully repay the loans after 12 years, at which time the community would enjoy some financial benefits of the investments. However, given uncertainty surrounding the firm’s plans, they are aware that it could leave before the community realizes any benefit from these investments.

employees made \$10.15 to \$12.64 per hour and distribution center workers made \$9.40 and \$11.60 per hour in 2003.

At B'Gosh, the vast majority of employees worked full-time and had job security. Newspaper coverage of the company's centennial in 1995 contained numerous accounts of women who had worked at the factory for 25 or even 50 years. All had a union-negotiated array of benefits. In contrast, at Lands' End approximately 62 percent of workers were seasonally employed. One of their managers explained the procedures for allocating work in the following way:

The schedule comes out the week prior, and you have given us your scheduling availability, and then based on that, we schedule you. If you're a regular full-time employee . . . approximately 32 hours a week or more, depending on how much work we have. If you're a regular part-time employee, you'd probably get scheduled for three or four days a week. And then the flex staff, they get scheduled based on how much work we have.

Employees, most of whom were women, accommodated their farm and family work to their Lands' End schedules, even in the busy autumn months when farm harvest and Christmas sales conflicted. The company offered temporary employees fewer benefits than their full-time workers. These employees had the option of purchasing a health insurance plan, but it was far less generous than that offered to regular employees.

Finally, there is the question of the skill associated with employment in the two kinds of firms. Sewing workers have historically had difficulty establishing claims to skill, partly because of the gender composition of the workforce. Tailoring was historically considered a craft, and commanded respect, and cutters were at some points in history able to establish a guild presence that allowed them to make claims to specialized skill, but the kind of assembly work involved in producing overalls has rarely been considered skilled, despite the fact that it takes six weeks to two months to learn the operations involved (Collins 2002; Kessler-Harris 1985). At first glance, the sales representatives who work at computers and order fulfillment employees who work with bar codes would seem to fit a profile of more highly skilled workers—individuals who have mastered the electronic commerce and long distance services that Grennes (2003) approves. But training periods confirm what low wages suggest: that these jobs are not, in fact, highly skilled. As previously mentioned, at Lands' End, telephone sales representatives receive about 80 hours of training focused on product and customer service policy. Workers who fill orders in the distribution center receive two weeks of the on-the-job training. Some managers described order fulfillment in the distribution center as:



[O]ne of our most challenging jobs. [It] is very fast-paced and it's matching numbers and it's not a job that everyone can do. Our packing job is also very fast-paced. You need to pack 25 to 35 multiple item orders in an hour, ... and this can also be a challenging role to fill, but we've really been fortunate that we've been able to fill these roles.

Managers claimed to have no difficulty finding the "skill set" they need in rural Iowa County. It is difficult to argue that these jobs require more skill, or are inherently more "interesting" or "knowledge-based" than apparel manufacturing.

Far from representing an upgrading to more lucrative and skilled nodes in the apparel commodity chain, the growth of service jobs in the apparel sector replicates broader patterns of transition from manufacturing to services. As Dresser and Rogers have shown, sectors of the Wisconsin economy that declined from 2000–2004, including manufacturing, paid \$7200 more in annual earnings than sectors that grew, and jobs in declining sectors were far less likely to provide health insurance coverage (2004:10). As a result of these trends, Dresser and Rogers point out that over 18 percent of Wisconsin workers held "poverty wage jobs," which they defined as "wages insufficient to lift a full-time (40 hours a week), year-round (52 weeks a year) worker to the poverty line for a family of four with two children" (2004:22, 29–40).

### **Analysis: Degrees of Social Embeddedness**

The social embeddedness of OshKosh B'Gosh and Lands' End—the ways and extent to which they interact with their local labor market and communities—is shaped, in important ways, by their position within global commodity chains. For OshKosh B'Gosh, a history of union-management negotiations and locally-based management shifted noticeably in 1987 when the firm went public. Attention to the value of its stock on Wall Street forced the firm to attend to profits on a quarterly basis and to make decisions based on meeting those short-term goals. It led the firm to turn to consultants and hire managers who were attuned to global sourcing and the leveraging of brands. The firm's decisions began to reflect this new logic and the pressure of constituencies outside the local frame.

Lands' End was not "born" in Dodgeville, but moved there in the late 1970s as part of corporate strategy. For Comer and his managers, the community offered many advantages. Downturns in farming had left the community economically depressed. There were almost no other

industries competing for workers. In ways that economic geographers have described, the town marketed itself as offering an ample supply of hardworking women and men drawn from local farms, whose wages only had to supplement farm incomes. It offered low cost real estate, subsidized utilities, and tax breaks. This was an unequal relationship between a company shopping for a new location and a town desperate for jobs.

Jobs in the apparel service sector, like low-waged, "flexible" jobs in call centers and distribution centers associated with other industries, are easily moved and sensitive to the cost of labor. For this reason, they are likely to be transient. The issue of call centers moving jobs to South Asia was prominent in the news in 2005. The traditional approach taken by small towns and unions is to offer companies whatever it takes to keep them. For some communities, this may lengthen the time that they can retain a particular employer, but they accrue fewer benefits during the time the firm is there: both in wages paid to employees and in taxes and rents. Rural communities that negotiate more aggressively to maximize their short-term gain may risk losing the firm's investment, but while it is there, they garner resources against its departure. In the long term, the cumulative effect of many communities driving hard bargains would be to halt the race to the bottom in which offers of lower wages, tax holidays and real estate bargains drive firm relocation decisions.

### Conclusions

Neo-liberal policymakers have suggested that the job change accompanying the globalization of industries like apparel are instances of "creative destruction," in which communities lose tedious or physically demanding, low-skilled jobs, while gaining more information-intensive and desirable employment. Focusing on two communities in the state of Wisconsin, we found the situation to be murkier than such scenarios suggest. Our social history of two communities, one of which was home to a traditional manufacturing firm and one to an apparel service operation, found that new jobs are being created in apparel services, but they do not compare favorably to old-paradigm manufacturing jobs. Even in regions, like Dodgeville, where apparel service firms have provided a large number of new jobs, these jobs are less well paid, more casually structured, and less secure than apparel manufacturing employment has been.

In exploring the relationship between firms and communities, our research found that the degree of connection varied between Oshkosh and Dodgeville, as well as over time in Oshkosh. Embeddedness was deepest in OshKosh before OshKosh B'Gosh going public. Prior to that

time, decisions were made locally, in negotiations with labor and local officials, while subsequently managers made more decisions with reference to share price and in consultation with consultants and officers of the firm who did not reside locally. The case of Dodgeville revealed that, when a globalized firm relocates its national headquarters to a rural area, its resources give it tremendous leverage in negotiations with local officials and workers, who have little power to influence its decisions. These findings support the idea that social embeddedness should be conceptualized as a continuum and understood as something for which local communities must struggle in order to retain control of their development.

The contrast provided by our case study firms and communities suggests a need to look carefully at the jobs of new economy—even those specifically promoted as more enduring, skilled and lucrative than their predecessors. It also suggests the importance of a power-sensitive analysis of social embeddedness; one that allows us to examine the degree to which, and the methods through which, local institutions can regulate and socialize the profit-seeking of corporate actors. Such an analytical approach would provide localities with new tools for taking their economic development into their own hands.

### References

- Anderson, C. and M. Bell. 2003. "The Devil of Social Capital: A Dilemma for American Rural Sociology. Pp. 232–44 in *Country Visions*, edited by Paul Cloke. London: Pearson.
- Apparel Industry Magazine. 1999. "Apparel's 'Big Six' Retailers Grab a 90% Share." *Industry News* 60(6):10–12.
- Appelbaum, R. and G. Gereffi. 1994. "Power and Profits in the Apparel Commodity Chain." Pp.42–62 in *Global Production: The Apparel Industry in the Pacific Rim*, edited by E. Bonacich, L. Cheng, N. Chinchilla, N. Hamilton and P. Ong. Philadelphia, PA: Temple University Press.
- Brandl, P. 2004. "Our Jobs, Our Future: Layoffs Create Major Family Hardship." *Fond du Lac Reporter*. January 18.
- Buechner, M.M. 2002. "Recharging Sears." *Time*, May 27, pp. 14–15.
- Burawoy, M. 1991. *Ethnography Unbound: Power and Resistance in the Modern Metropolis*. Berkeley, CA: University of California Press.
- Business Wire. 2002. "Genesys Software Systems Announces Implementation of People-ComeFirst Learning for Enterprise-Wide Learning and Competency Management at Lands' End." October 15.
- Christensen, C. 2000. *The Innovator's Dilemma: When New Technologies Cause Great Firms to Fail*. New York: Harperbusiness.
- Collins, J. 2002. "Mapping a Global Labor Market: Gender and Skill in the Globalizing Garment Industry." *Gender & Society* 16(5):921–40.
- . 2002. "Deterritorialization and Workplace Culture." *American Ethnologist* 29(1):151–71.
- . 2003. *Threads: Gender, Labor and Power in the Global Apparel Industry*. Chicago: University of Chicago Press.
- Dietderich, A. 1998. "Oshkosh B'Gosh: Seeing It All 'Finally Come Together': Financial

- Officer Says It's Due in Part to Focus on Streamline Manufacturing." *The Oshkosh Northwestern*, February 12.
- Dodgeville Area Chamber of Commerce. 2004. "Dodgeville: Past and Present." Retrieved June 12, 2005 ([www.dodgeville.com/dodgeville\\_home/past-present.html](http://www.dodgeville.com/dodgeville_home/past-present.html)).
- Dodgeville Chronicle. 1979. "Lands' End Purchases City Land." October 11.
- . 1982. "Lands' End Receives Another Approval." July 8.
- . 1985. "Land Tie-up May Snag Lands' End." October 17.
- . 1986. "Lands' End Stock To Go Public Later This Month." October 26.
- . 1987a. "Dodgeville Making National Headlines." July 30.
- . 1987b. "Lands' End to Build Satellite Phone Center in Cross Plains." December 24.
- . 1990. "Lands' End Gears for Steady Growth." March 8.
- . 1993. "Lands' End Selects Oakham as Site for UK Operations." August 12.
- Draeger, C. 1999a. "B'Gosh Profits No Hit with Readers." *The Oshkosh Northwestern*, July 15.
- . 1999b. "B'Gosh Profits Rise 21.8% in First Quarter." *The Oshkosh Northwestern*, April 22.
- . 2000. "Oshkosh B'Gosh Settles Suit Brought by Saipan Workers: Eight Clothing Retailers Agree to Pay \$5.7 million." *The Oshkosh Northwestern*, March 30.
- Dresser, L. and J. Rogers. 2004. *The State of Working Wisconsin*. Center on Wisconsin Strategy, University of Wisconsin, Madison.
- Drucker, P. 1994. *Post-Capitalist Society*. New York: Harperbusiness.
- Ebert, K. 1995a. "B'Gosh Closes Plant in Kentucky." *The Oshkosh Northwestern*, July 21.
- . 1995b. "B'Gosh Closing Two More Plants: 320 Workers to be Laid Off." *The Oshkosh Northwestern*, September 27.
- . 1995c. "Retraining Grant to Help Ex B'Gosh Employees." *The Oshkosh Northwestern*, August 18.
- . 1996a. "B'Gosh Plans 350 Layoffs: 30 Oshkosh Jobs Affected." *The Oshkosh Northwestern*, April 26.
- . 1996b. "Cheap Labor Affects Union: Members at Oshkosh B'Gosh Mark Loyal Service Saturday." *The Oshkosh Northwestern*, August 2.
- . 1996c. "B'Gosh Union Uncertain of Future: Commitment to Oshkosh in Question." *The Oshkosh Northwestern*, August 3.
- . 2000. "Economic Angst." *The Oshkosh Northwestern*, January 30.
- Edelson, S. and A. D'Innocenzio. 1998. "Seminar's Focus: Megafirm's Clout." *Women's Wear Daily*, March 26.
- Ellis, K. 2004. "Industry Job Loss Not Abating." *Women's Wear Daily*, October 11, p. 1.
- . 2001. "Producer Prices for Apparel Fall Below October 2000." *Women's Wear Daily*, November 12, p. 19.
- Falk, W., M. Schulman, and A. Tickamyer. 2003. *Communities of Work: Rural Restructuring in Local and Global Contexts*. Columbus, OH: Ohio State University Press.
- Fleischer, J. 2002. "Spanning the Spectrum." *Business and Management Practices*, November 1.
- Foster, R. and S. Kaplan. 2001. *Creative Destruction: Why Companies That Are Built to Last Underperform the Market and How to Successfully Transform Them*. NY: Doubleday.
- Frastaci, M. 1998. "Oshkosh B'Gosh: Innovation is Key." *Apparel Industry Magazine* 59(10):32.
- Friedman, T. 2000. *The Lexus and the Olive Tree: Understanding Globalization*. New York: Anchor.
- Gereffi, G. 1994. "The Organization of Buyer-Driven Global Commodity Chains: How U.S. Retailers Shape Overseas Production Networks." Pp. 95-122 in *Commodity Chains and Global Capitalism*, edited by G. Gereffi and M. Korzeniewicz. Westport, CT: Praeger.
- . 1999. "International Trade and Industrial Upgrading in the Apparel Commodity Chain." *Journal of International Economics* 48:37-70.
- Grennes, T. 2003. "Creative Destruction and Globalization." *Cato Journal* 22(3):543-81.
- Grossman, J. 2004. "Tapping the Work Ethic in Fading Rural Towns." *New York Times*, November 11.

- Grosso, E. and B. Gehrke. 2004. *Metropolitan Wisconsin*. Wisconsin Department of Workforce Development, Office of Economic Advisors. January.
- Hajewski, D. 2002. "Lands' End in Stores; Sears Hopes Shoppers Bite as It Begins Brand Rollout." *Milwaukee Journal Sentinel*, October 28.
- Halkias, M. 1998. "Lands' End Reports \$61 Million in Online Sales." *The Oshkosh Northwestern*. March 14.
- Hamrick, K.S., S.A. MacDonald, and L.A. Meyer. 2000. "International Trade Agreements Bring Adjustment to the Textile and Apparel Industries." *Rural Conditions and Trends (U.S. Department of Agriculture)* 11(1):31-41.
- Harvey, D. 1989. *The Condition of Post-Modernity*. Cambridge, UK: Blackwell.
- Hays, C. 2002. "Sears to Buy Lands' End In a Deal That Unites Pants and Power Drills." *New York Times*, May 14.
- . 2004. "Creating a Giant: The Overview; K-Mart Takeover of Sears is Set; \$11 Billion Deal," *New York Times*, November 18.
- Hirst, P. and J. Zeitlin. "Flexible Specialization vs. Post-Fordism: Theory, Evidence, and Policy Implications." *Economy and Society* 20(1):1-156.
- Kessler, J. 2001. "Tracking Los Angeles Employment Trends: Beyond the Numbers." *Bobbin*, February.
- Kessler-Harris, A. 1985. "Problems of Coalition-Building: Women and Trade Unions in the 1920s." Pp. 110-38 in *Women, Work and Protest: A Century of U.S. Women's Labor History*, edited by R. Milkman. New York: Routledge.
- Lobao, L., L. Brown and S. Digiacinto. 1999. "Economic Restructuring and Migration in an Old Industrial Region: The Ohio River Valley." Pp. 37-58 in *Migration and Restructuring in the U.S.: A Geographic Perspective*, edited by K. Pandit and S. Davies-Withers. Lanham, MD: Rowman and Littlefield.
- Naleid, J.C. 1995. *Celebrating a Century as The Genuine Article: The Story of Oshkosh B'Gosh*. Lyme, CT: Greenwich.
- Nathan, A. 2005. "Wisconsin Town Reeling Over Closing of Lands End Call Center." *New York Times*, February 28, C3.
- New York Times*. 2004. "Skepticism Persists on Kmart—Sears Merger." November 23.
- Newman, J. 2005. "Lands End Cuts Include Workers in Reedsburg." *Wisconsin State Journal*, February 24, A1.
- Oshkosh Convention and Visitor's Bureau. 2004. "Oshkosh History Timeline." Retrieved May 7, 2005 ([www.oshkoshcvb.org/citytimeline.htm](http://www.oshkoshcvb.org/citytimeline.htm)).
- Peck, J. 1996. *Work-Place: The Social Regulation of Labor Markets*. New York: Guilford.
- Piore, M. J. and C. F. Sabel. 1984. *The Second Industrial Divide: Possibilities for Prosperity*. New York: Basic Books.
- Portes, A. and P. Landolt. 1996. "The Downside of Social Capital." *American Prospect* 7(26):1-5.
- Rasmusson, E. 1998. "The Lands' End Difference." *Sales and Marketing Management*, October.
- Richardson, R. and A. Gillespie. 2003. "The Call of the Wild: Call Centers and Economic Development in Rural Areas." *Growth and Change* 34(1):87-108.
- Schoenberger, C. 2002. "Web? What Web?" *Forbes*, June 10.
- Storm, S. 1995a. "B'Gosh—100 Years." *The Oshkosh Northwestern*, July 9.
- . 1995b. "Seamstresses recall B'Gosh Sewing jobs." *The Oshkosh Northwestern*, July 9.
- . 1995c. "B'Gosh's CEO: Change Good for Continued Success of Firm." *The Oshkosh Northwestern*, July 9.
- . 1995d. "Overseas Markets Now Account for About a Quarter of B'Gosh's Total Sales." *The Oshkosh Northwestern*, July 9.
- . 1995e. "Quality a Hallmark for Oshkosh Products." *The Oshkosh Northwestern*, July 21.
- . 1996a. "B'Gosh Makes Cut." *The Oshkosh Northwestern*, June 20, 1996.
- . 1996b. "B'Gosh Customers Prefer Knits Instead of Wovens: Changing Demand Leads to Plant Closing." *The Oshkosh Northwestern*, October 30.
- . 1997. "B'Gosh Results Reflect Execution of Strategies: Company Plans to Launch Internet Site." *The Oshkosh Northwestern*, May 3.

- Thomsen Research. 2002. *Lands' End Inc. 10-K*. Online Filing, February 1. Retrieved May 12, 2005 (<http://research.thomsenib.com>).
- Trujillo, M. 2002. "Oshkosh's Design Team to Move to NYC." *BC cycle*, September 24.
- U.S. Census Bureau. 2000a. *Profile of Selected Economic Characteristics. Geographic Area, Iowa County, Wisconsin*. Summary File DP-3. Washington, D.C.: U.S. Government Printing Office.
- . 2000b. *Wisconsin Quick Facts*. Retrieved January 15, 2005 (<http://quickfacts.census.gov/qfd/states/55/55049.html>).
- U. S. Department of Agriculture. National Agricultural Statistics Service. 2002. *Census of Agriculture, Wisconsin*, Table 8. Washington, D.C.: U.S. Government Printing Office.
- U. S. Department of Labor, Bureau of Labor Statistics. 1994. *Employment Hours and Earnings, U.S. 1990-94, vol. 1*. Bulletin 2445. Washington, D.C.: U. S. Government Printing Office.
- Wisconsin Department of Commerce. 2003. *County Economic Profile: Winnebago County*, July.
- Wisconsin Department of Revenue. Division of Research and Policy. 2000. *Special Report III: County Personal Income*, Table 7.
- Wisconsin Department of Workforce Development. Division of Workforce Excellence. Bureau of Workforce Information. 1999. *Iowa County Workforce Profile*. July.
- . 2004. "Dislocated Workers to Receive Assistance." News Release. June 4.