BOOK REVIEW

Economics 113: Economics of Contemporary Social Issues
Summer 2006
Professor: Scott Gilbert, Ph.D.

Due Date: Tuesday, August 1st
Percent of grade: 10%


Requirements: Write a review of Rivoli’s book. The review will be 3 pages in length, and will include 2 typed pages of single-spaced text (1 inch margins, 12 point text size, Times font, otherwise standard layout - no extra spacing, ‘kerning’, or ‘leading’). The review will also include 2 graphics (graphs, diagrams, or charts), which may be hand-drawn or copied from print or electronic sources. The review should take a point of view - either agreeing with Rivoli’s arguments, or disagreeing - and should attempt to evaluate the book, similar to a movie review in the newspaper or online. Your review should reflect an economics student’s careful and thoughtful reading of the book – see the attached Study Guide for some discussion of key points/ideas in the book. Be bold, not wimpy. Also, the written review should make use of the 2 graphics, in some useful way.
STUDY GUIDE

Travels of a T-Shirt in the Global Economy, a book by Pietra Rivoli.

The book begins with a visit by the author (Rivoli) to a Drugstore in Florida, where she buys a t-shirt for $5.99, one with a colorful print on the front. She finds that the shirt is printed by Sherry Manufacturing Company, in Miami Florida. Sherry Manufacturing prints shirts, but does not make the shirts themselves, instead buying them from abroad. Rivoli’s shirt was made in China, by Shanghai Knitwear, and cost Sherry Manufacturing $1.42.

Chapter 1:

1. From which US state does the cotton in Rivoli’s t-shirt come from?
2. Oxfam, a British charity, gives a reason for why US cotton farmers currently have a comparative advantage in producing cotton. What is this reason?
3. What are two other reasons that Rivoli gives for the currently booming US cotton business?

Chapter 2:

1. In which country were the first cotton textile factories?
2. What was the major source of labor in US cotton farming during the period 1800 to 1860?
3. What invention allowed cotton farming to move from east coast US, westward?
4. Name two things that rival countries India and China lacked, in competing with US cotton in the 1800s.
5. By 1920, Texas had become a major cotton-producing state. Rivoli names an idea that Texas cotton farmers borrowed from the north, to produce a pool cheap, abundant labor. What is it?

Chapter 3:

1. Rivoli describes the success of cotton farmers in Lubbock Texas as related to a “virtuous circle relationship between farmers, private companies, universities, and the US government”. Name a U.S. government agency actively involved in Texas cotton farming.
2. Texas cotton farmers receive subsidies from the government. What does that mean?

3. Rivoli states: “At the close of the twentieth century, many poor cotton producers lacked capital, working markets, literacy, or all three”. In what way could a lack of literacy make foreign cotton growers less competitive than U.S. cotton growers?

Chapter 4:

1. Rivoli’s t-shirt is made in Shanghai, China. Shanghai has been a textile-producing city since the 1920s. By the 1930s, the wealth of business owners had “transformed Shanghai into an X-rated Disneyland”. Explain.

2. What was the effect of the communist revolution on Shanghai business owners?

3. What was the effect of the communist revolution on Shanghai textile workers?

4. “Today, China dominates the global textile and apparel industries as the United States dominates the world cotton markets.” How does the National Labor Committee describe working conditions for China’s apparel workers?

Chapter 5:

1. The chapter, entitled “The Long Race to the Bottom”, describes economic development in several countries, from the 1700s onward. What does the “Race to the Bottom” refer to?

2. How did the industrial revolution fuel the “Race to the Bottom”?

3. In the cotton textiles manufacturing in Britain and New England in the 1800s, and in Japan in the period 1900-1930, what was the role of women? How did they live?
Chapter 6:

1. What is the hukou system in China, and how does it contribute to the success of China’s textile industry.

2. What was Dr. Thomas Percival’s impact on cotton factory workers in 19th century England?

3. Rivoli writes: “Today, the most prominent health and safety issue in the apparel and textile industry is ergonomics.” Are problems of ergonomics an externality of textile production? Explain.

4. Many textile factories in Shanghai have been closing. What’s on the horizon for Shanghai’s light manufacturing workers?

Chapter 7:

1. What is the role of the “alphabet armies” in the U.S. response to imported clothing?

2. What was the role of the MFA in U.S. textile and apparel imports?

3. In recent years, which of the regions – Mexico, Caribbean, or China – has been the biggest source of imported shirts in the U.S.?

4. How does the “yarn forward” requirement affect U.S. importers of clothing?

5. Are lost U.S. textile manufacturing jobs part of the social cost of the clothing import business? Explain.

Chapter 8:

1. During the last 15 years, U.S. textile employment has fallen, yet productivity in the U.S. textile industry has increased. Explain.

2. What is main reason for U.S. quotas on textile imports?

3. What has the U.S. quota system on textile imports done to the economies of small developing countries like Mauritius and Bangladesh?
4. What was the main material for English clothing in the late 16th century?

5. From which country did England block imports of cotton fabrics, in the 1600s?

Chapter 9:

1. According to Rivoli, who was the most free-trade-friendly U.S. history?

2. After the terrorist bombings of September 11, 2001, was President Bush’s attempt to eliminate quotas on Pakistani textile imports to the U.S. successful?

3. Walmart pays political lobbyists millions of dollars annually to influence government’s views on the import of consumer goods into the U.S.. Does Walmart want to increase, or decrease, imports of consumer items into the U.S.?

4. Has activist protest at U.S. colleges and trade meetings, against poor working conditions in foreign apparel factories, influenced the policies of leading apparel companies like Nike and Reebok? Explain.

Chapter 10:

1. Are U.S. exports of used clothing heavily subsidized?

2. Is the U.S. clothing export industry composed of a few big companies, or many smaller companies?

3. To which continent does the U.S. export the most used clothing?

4. For used clothes too worn out for resale to foreign consumers, what do clothing recycling companies do with them?
Chapter 11

1. Has the import and sale of items like used clothing from the U.S. raised the standard of living in Tanzania to an acceptable level?

2. What is the mitumba market?

3. Why do some African countries ban the import of used clothing?

4. Will China play a future role in the re-sale of U.S. used clothing? Explain.