



**The North Carolina Textiles Project: An Initial Report**

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**ABSTRACT**

*The phenomenon of increasingly contested international markets due to falling price and non-price barriers to trade in goods and services is one often-discussed dimension of globalization. The textile industry in particular is cited as an example of the dangers of globalization to US firms, workers and communities. Both US economic growth and the standard of living are thought to have fallen as a result of globalization in this industry.*

*Keywords: globalization, manufacturing, plant analysis*

Globalization is in fact a two-sided sword, and has introduced both opportunity and loss into the US textile industry. While there have been aggregate declines in activity in this industry since 1982, these declines have not been felt uniformly throughout the industry. There have been opportunities from globalization that individual firms and communities have exploited to their advantage.

We believe strongly that the economic and social manifestations of globalization demand detailed research. We also believe that the phased-in expiration of the Agreement on Textiles and Clothing by 2005 will lead to increased debate on the appropriate policy response to globalization in textiles and apparel in the US. Further, the debate on textiles and apparel foreshadows a broader debate on the future of all manufacturing activity in the US. Scientific research will greatly improve that debate. The Alfred P. Sloan Foundation provided our research group with a seed

grant to begin research on the opportunities and pitfalls of international trade for the textiles industry in the US. We began work in the spring of 2003, and since that time we have been advancing on both fronts.

North Carolina provides a microcosm of the opportunities and dangers from globalization in the textiles industry, and so we've chosen to focus our research efforts on the firms and workers of our state. Our research design differs from typical studies in other dimensions as well. Most analyses of the impact of globalization are undertaken through data analysis of aggregate statistics at the national level. We believe that the challenges of globalization are best understood through multifaceted examination of specific industries, and specific firms within industries. Our approach incorporates case studies of North Carolina firms, interviews (of North Carolina businesspeople, workers, unions and government officials) and plant-level analysis of Census of Manufactures data for

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