The denim industry is rife with examples of abuse of human and environmental resources. It begs one to ask the reason: Why is that? What is so prevalent among the jeans manufacturing industry that causes all of these seemingly negative after effects? In order to understand the problems that cheap labor manufacturing of jeans are causing on the world’s stage, we have to understand the inception of the emergence of the denim industry, not just in the American economic environment, but now also on a global scale. Understanding this industry’s affect on the textile manufacture landscape requires looking at the trajectory of the denim company as it takes roots in different countries when it emerges into the international market, begins and sustains the regular production cycle, and begins to show signs of lasting end-results within the context of the people producing this product as well as any environmental impact.

We will begin by examining a case study in which one denim selling company – a very prolific company, Levi’s – logistically thinks about the processes involved with integrating their revenue pursuits into the global market. Once the decision to venture into international markets has been made, Vrontis and Vronti imply that there are “two broad strategies which can be adopted [to do so]: either employ[ing] a uniform marketing mix as part of a global strategy or [adjusting] the marketing mix and strategies to take account of the unique characteristics of each local market.” (pg 389) The unification strategy for the entire international market is to “produce gain of lower costs, consistency of product and promotion of greater uniformity and consistency for mobile consumers.” (Vrontis & Vronti 390) To understand the diverging road this company saw when taking their product global is even more narrowed down by the authors’ distinction
between “standardization” and “adaptation”. It’s not completely one or another in the case of the ideal marketing strategy – it is supposedly a mixture of both.

A diversity of factors determined whether the “marketing mix” could be standardized for all customers in the jeans market or whether it needs to be adopted to suit specific market conditions. (Vrontis & Vronti 393) These included socio-cultural, legal/political, physical environment, technological, demographic, competition, and economic factors. These considerations must be taken when considering the life cycle of the product their selling to these countries – all with different cultural norms and appeals that can be exercised in order to market the iconic American jean to the masses of the world.

Moving on to the current processes of what is involved with creating jeans: the manufacturing centrality of jeans has typically been found in developing nations’ labor force because they are willing to work for far less than an American manufacturer would. We can very easily take Mexican manufacturers, known as “maquiladoras”, as an example. Despite the lack of previous research into the subject of the Northern electronics developers and their Southern textile-working counterparts, the study conducted by Navarrete and Aragon-Durand sheds light on Mexico’s capacity for integration into the world economy. “Most people worked in agriculture until the 1970s, when they went to work in construction of in the service sector” (Navarrete and Aragon-Durand 95); “The strategic location of maquiladoras,” they said, “represented an attempt to prevent or attenuate emigration and commuting to neighboring cities (mostly Mérida and Cancún).” (pg 96) The owners of Yucatan Industries are listed as “notably being the largest employer in the maquiladora industry in Yucatan,” but ironically “the owners of YI are from Hong Kong, and the company produces denim jeans principally for the US Market.” (pg 96)
“The denim used in YI’s production processes,” the article explains, “comes from Asia via the United States. Garment maquiladoras are supposedly incorporating Mexican inputs into their products but only around 3–3.5 percent of total inputs used by the industry are local.” (pg 98). Despite this, “management practices, the economic context, and local government policy all help to explain YI’s success. The YI case illustrates what is being done by the state and local governments of Yucatán to provide jobs and supplement households’ earnings in rural areas.” (pg 105)

Understanding the processes of jeans manufacturing itself is also paramount to understanding the curved trajectory of the denim industry’s path toward global integration. A case study provided by Caplan, Melumad, and Ziv take a magnifying lens to a case study of one company’s decision whether or not to adopt another fading technique for the jeans they distribute or not. In it, “the designers at Guess Who jeans had developed and patented a new process to give denim products as a novel distressed look” and one of our main actors, product manager Diane, was attempting to convince her employers to outsource the new finishing operation to Denim Finishing, their company. By calculating comparison price per unit of producing the different types of jeans, the decision to ruminate on was this: “the retooling costs and machine downtime that [they] will have incurred if [they] were to accept the project would eat into profit.” What does a decision like this truly come down to? What system of standardization do we hold up the validity of this venture up to? Those questions are answered in advancing the “activity-based costing system” in accounting for every single cent of what goes into creating jeans and how that can be reduced throughout the process.

So, this takes us to the results of this arching trajectory. Is the original venture to step into the global market – as necessary as it was – successful? Yes and no. “The rapid growth in
disposable income in China, coupled with a large population that longs for western products, provides the world’s largest potential consumer market for jeans companies.” (Wu, and Delong 238). Due to distinctive form and global distribution, jeans are a proper object for the examination of consumers’ responses to global branding in different cultural contexts.

On the opposite side of the shopping aisle, we have the workers from developing countries for whom we delve into this research in the first place. Referring back to the discussion on maquiladoras: not only does the government have to cooperate with company owners to reduce financially-resultant inefficiency in the business model, but they must overcome scatological and cultural barriers in order to do so. YI proved to reproduce the negative features that have been associated with

“YI (Yucatan Industries) workers are young Mayan workers who earn low wages and work long hours and have to travel long distances to get to work. Turnover remains high, and the company uses imported denim from Asia instead of Mexican denim. All these factors support the idea that the maquila industry is an enclave economy and that most maquiladoras tend to profit mainly from the use of low-skilled labor, allowing transnational corporations to be more competitive in world markets. In this YI is like any other garment maquiladora except for its large size and location.” (Navarrete and Aragon-Durand 105)

However when you consider the positive effects that building the maquila industry of Southern Mexico to match that of its Northern brother in scope and efficiency, we can at the very least conclude that this is the most prolific system in which the Mexican textile industry has entered in. “The local government’s employment program clearly succeeded in employing young male rural workers who would otherwise have migrated in search of jobs. Northern maquiladoras in...the early days of the maquila industry were blamed for expanding the regional labor supply by including young women who did not formerly work in the formal economy and were willing to be paid less for hard work. Men have been encouraged and supported by the local government to work at YI because it was men who usually served as the main income earners for their
households during the henequen era.” (Navarrete and Aragon-Durand 105)
Annotated Bibliography: The Denim Industry


This article delves into the processes and laws associated with disposal or recycling of wastewater involved in dying denim. It speaks not only on the scientific components associated with extracting possibly toxic waste from water but also the environmental impact. This article relates well to how the denim industry’s considerations not only include revenues and expenses, but also how previously unexpected costs factor into how the company’s money is spent. (Production Process)


Dennis Caplan collaborated with several other researchers to turn out a fictional example illustrating how interdependencies between products used to compile denim make it difficult to yield reliable accounting systems to base decisions on. This factors in well with the discussion of globalization in that because many of the components originate from different countries, production costs, shipping costs, etc. a hybrid of activity-based costing and marginal costing is necessary to come to a focused range of expenses. This is how they are better able to produce many different denim products without hindering production. (Economies of Scale)


Unlike their northern counterparts, Mexican laborers in the rural Yucatan maquiladoras have not garnered much attention from international research agencies. In this article, the relationship between the two areas of workforce in the garment-production industry is critically analyzed to understand their differences and similarities. Studying comparisons of salaries, turnover, and Mexican inputs across the textile manufacturing economy gives us a better understanding of how the production process is shaped by its Mexican workforce. (Production Process – Division of Labor)
For companies who have the ability to expand to the global market, this case study is one of the many examples of how to lay out a successful plan to do so. Vrontis and Vronti mostly focus on two factors: global standardization and international adaptation, working into how Levi’s rose to the top not only as an American denim giant but as an international one, and how other companies can follow suit. *(creating niche markets)*


This study attempts to draw conclusions from cursory data gathered from international denim consumers, specifically in Shanghai, China. Based on conducted surveys and analysis of denim sales, this article is the result of studies differentiated between demographics, i.e. which groups of people buy denim, in what context (formal or informal settings), etc. Globalization is demonstrated heavily in this observation in that a product commonly associated with the American identity is woven through even Chinese fashion, and how or if that affects our denim economy. *(Branding)*