The Lintheads' Demise: A Study in Economic Dependency for the Piedmont Region of South Carolina

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THE LINTHEADS' DEMISE: A STUDY IN ECONOMIC DEPENDENCY FOR THE PIEDMONT REGION OF SOUTH CAROLINA

By

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Submitted in Partial Fulfillment of the Requirements for Graduation with Honors from the South Carolina Honors College

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Abstract

The decline of the Southern textile and apparel industries represent a unique and rich case study in rapid economic change. It is unique because of the speed and uniformity of collapse; rich, because of the geographic differences that exist even within the concentrated Piedmont textile cluster. Truly, globalization has hit this economic cluster with a brutal punch. And yet, not all cities and counties within the region have been equally harmed by the change.

This report concentrates on examining the socioeconomic variations that have taken place in the thirteen foremost textile-producing counties in South Carolina since the collapse, as well as a sample dataset of forty-seven other Southern counties. The history of the industry is briefly traced in order to provide a background for the historical assumptions made in the analysis. A defined set of indicator factors are then compiled into an economic vigor score for each county, tracking both their socioeconomic change since the apogee of the textile industry and their current situation. This score is then regressed against their job dependency on the industry in 1960. The results indicate that historical hyper-dependency on textiles has no bearing on the health of Southern Piedmont counties, although a strong correlation does exist for the South Carolina data. Three factors are identified as having a positive effect on the changing industrial environment of counties, both urban and rural: distance from a regional metropolis, population, and a concerted effort at economic diversification. Relative economic performance of these counties has thus been lopsided, often depending on these three factors, providing both a warning and encouragement for economic development elsewhere.
Introduction

Visitors to South Carolina are treated to the best of what the state has to offer - those sanitized and glorified sites that reflect beauty, history, and culture. The bright streets of Charleston; the dredged sands of Myrtle Beach; the vibrancy of Greenville; the majesty of a reconstructed Lowcountry plantation. Even many of the small towns reflect a sort of idyllic life that captures the imagination, ripe with peach orchards, vegetable stands, blossoming magnolias, and quaint churches.

And yet, another type of town exists on the periphery. Hidden underneath the vibrant economic veneer of the Piedmont region, these towns have names like Honea Path, Pelzer, Joanna, Ninety-Six, Westminster, Norris, Lockhart, Whitmire, and a host of others. Rows of pines give way to rows of small and faded homes with chipped paint on the walls and discouragement in the air. They are clustered around empty concrete slabs, such as the one in Figure 1, or around standing yet crumbling brick fortresses. Such towns can be found as self-sustaining entities, swaths within mid-sized towns, and, just as often, as specks in the breastplate of major cities.

These towns are the gravestones of the Southern textile industry. Textiles were the jug of moonshine that carried the South through the pain of post-war economic reorganization, giving her the strength to stand up again and begin to heal; a treatment that promised relief, but in some cases, developed into dependency. This dependency varied among the counties of the South Carolina Piedmont, but for a long stretch of time brought security and prosperity that was widespread. Just as the South’s storied cotton empire was doomed by political mandate, though, so were her textiles dealt a death blow by national and international decrees.
Tracking the rise and fall of the textile industry in the South generally, and in the South Carolina Piedmont specifically, enables an understanding of the people impacted by textiles – twenty percent of the state’s workforce in 1960, and far higher in actuality due to local multiplier effects. This demographic has not disappeared with the mills, remaining a largely silent witness to economic theory enacted. Correspondingly, this study illuminates the socioeconomic consequences of political action. The philosophies that undergird grand press conferences and witty sayings in Washington, D.C. are most keenly felt not by the politicians or the president or the press, but by Ms. Carrie Harris – a former textile worker in Union – and Mr. Johnny Thomas – a barber in Lockhart – and a million others like them across the nation whose lives are deemed an acceptable outlay in the cost-
benefit analysis of economic tinkering. These were the men and women laughingly called “linheads” by their neighbors and who came to wear that moniker proudly, as a sign of their affection for that strange white plant that sustained them, its humility and autochthony echoing their own lives.

An analysis of their plight, then, transcribes the effects of economic policy and tracks regional change. Towns are not passive test subjects; geographic and demographic advantages and political and business leadership vary widely even in neighboring towns. Because of these facts, the impact of the textile collapse diverges. Broadly, what has been the socioeconomic effect of the textile collapse? Specifically, which towns and counties have managed this collapse the best, and why? These are questions of history, politics, sociology, and economics, and they are the questions that this paper will strive to answer.

**Historical Overview**

Evaluating the shadow that the textile industry cast over the South in the late twentieth century necessitates looking at that sector’s roots, in the late 19th century, in the origins of cotton mills themselves in the South as a component of the economic evolution of the region. To do so, we must first look to the people. Remember that this was a region sandblasted by the Civil War; the agricultural production that had clothed much of the Western world, and provided stability, albeit through exploitation, had been kneecapped. And though cotton production would rebound in the years following the war, it somehow lost its enriching effect along the way. In 1877, the per capita

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income of the South was nearly three times lower than that of Northern states.\(^2\) Crippled from the loss of a generation of young men, with the majority of her capital spent in the war effort and many of her prominent cities burned, a milieu of hopelessness prevailed in the post-war South. Even “throughout the countryside and in the small towns, travelers found the same grim poverty and dilapidation” that prevailed in the cities, relates historian C. Vann Woodward.\(^3\) Mass outmigration began to occur, with the Piedmont population of the Carolinas, Georgia and Alabama moving westward en masse. In 1874, Mississippi Senator Lucius Lamar summarized the region’s situation vividly: it was an entire people group “struck dumb by the magnitude of her reverses.”\(^4\)

![Figure 2](https://www.metmuseum.org/art/collection/search/294497)

**Figure 2**  
The Ruins of Columbia, South Carolina from the State Capitol (1865)\(^5\)

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With these regional struggles in mind, the struggle of rejuvenating the South’s economy—much less reforming it—can be seen in a more sympathetic light. Historically, the economy of the South was centered on agricultural staples, most recently cotton, upon which the entire livelihood of the population depended either directly or indirectly. Persisting through the early 20th century, the economy of the South continued to be “dominated by [this] single commodity.” By 1900, the United States produced 4.73 billion pounds of cotton annually, of which only 34.5% was consumed domestically. Cotton imports were negligible. All in all, the textile mills of the world were fed by Southern cotton, to the tune of 66.4% of mill-supplied cotton in 1907. One newspaperman wrote in 1904 that “when southern cotton prices drop, every man feels the blow; when cotton prices advance, every industry throbs with vigor.”

By 1908, South Carolina’s cotton production was continuing to increase, representing 8.8% of the national total. In Union County, South Carolina, the early twentieth century saw “fewer vegetables and less milk and honey produced, as the cash crop [of cotton] was finally yielding real cash.” The agricultural dependency on cotton continued to increase for the entire state, rising by a whopping 48.3% from 1879 to 1908. In the latter year, South Carolina planted over 2.5 million acres in cotton. By comparison, in 2020, South Carolina had a mere 190,000 acres in cotton.

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8 “Cotton Production,” Department of Commerce, 37
9 Wright, Old South, 59.
11 Allan Charles, The Narrative History of Union County, South Carolina (Spartanburg, South Carolina: Reprint Co., 1987), 320.
risk of hyperbole, during these years, the overall economic condition of the state hinged on nature’s beneficence and global demand for a single species of plant.

Although the boll weevil invasion of the 1920’s would demonstrate the hazard of dependence on nature, the economic dependency on other regions did lessen somewhat over the years; over half of American consumption of cotton took place in Southern textile mills by 1910, and the development of mills and markets in Asia in that time frame provided a balance to the historical dominance of the Northern and European market. Usage of the plant itself was also diversified. Processing of cotton seed for oil, meal, linters, and hulls rose from 4% of the available supply in 1872 to 62% in 1909, successfully turning waste into a marketable product. Regardless of this diversification and vertical integration, the South’s feet were firmly on the rug of her cotton, in a high-stakes gamble that it would not be yanked out from underneath her.

Figure 3
Sharecropper tending cotton (1937)
Spartanburg County, South Carolina

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This gamble was partially unavoidable, however – the post-war South had no viable alternative, with little capital or experience with which to immediately pivot. Perhaps, then, it is no wonder that her farmers turned to that crop that they knew best – a desperate attempt to regain normalcy and a sense of direction. Historian Walter Edgar wrote in 1992 that “because of the war, South Carolina lost a generation of young white men and virtually all of its capital wealth. It recovered from the former, but it has yet to recover from the latter.” The wealth of the antebellum South had been invested with a single-minded vengeance in exactly those fields which the war most disrupted: “land, agricultural equipment, and slaves.” The sporadic attempts at industrialization effort immediately following the war faltered simply because “there was no money with which to build cotton mills,” let alone more expensive infrastructure.

As eminent sociologist W.J. Cash put it, “the [postwar] South’s most pressing internal need was money. To get money, then, it had turned with absorbing passion to the extension of the only practice which, in its experience, had yielded it: the cultivation of cotton.” Yet cotton was a demanding crop on the soil, itself requiring increasing capital and indebtedness to continue cultivation. Cotton was “fickle and dangerous…a Fata Morgana, the pursuit of which was actually bearing the South deeper and deeper into trouble.” Full economic dependence on cotton, even at antebellum levels, was economically and environmentally unsustainable. The question then began to arise from Southern leaders and thinkers: what would become of the new economy of this region?

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17 Harold Woodman, *King Cotton and his Retainers* (Columbia, South Carolina: University of South Carolina Press, 1968), 194.
20 Cash, *Mind of the South*, 146.
Would it – and could it – afford to be an exporting agricultural economy, an outlier in both the country and the world? Or would it augment its Jeffersonian purity with the manufacturers and industry so prized in the North, attempting to replicate the manufacturing base that had powered the Northern states to victory? Even in the antebellum South, there were rumblings of industrial development. The famous Graniteville Mill in Aiken, South Carolina, founded by pioneer industrialist William Gregg, had started producing textiles as early as 1849, and Columbia had at least two textiles mills during the war era, both of which were burned by Sherman.\(^{21}\) There was precedent for this specific industry in the South, although social scorn and the preeminence of the cotton culture had hindered its growth thus far.

As the years trickled by, Southern leaders increasingly recognized that an economic shift towards industry was not only overdue, but that it was necessary. An industrialist from Mobile argued in 1868 that the South must quit, once and for all, her economic idolatry of the transcendent cotton boll “to the neglect of all other products,” both agricultural and industrial.\(^{22}\) The renewed profitability of cotton farming and the slow rejuvenation of Southern capital, combined with the Panic of 1873, hindered the growth of manufacturing. But the chorus of dissenters only grew louder. Henry Grady, the prominent editor of the Atlanta *Constitution*, prophesied in 1886 that “the old South rested everything on slavery and agriculture, unconscious that these could neither give nor maintain healthy growth. The new South presents a perfect democracy…a hundred farms for every plantation, fifty homes for every palace – and a diversified industry that meets the complex needs of

\(^{21}\) Marion B. Lucas, *Sherman and the Burning of Columbia* (Columbia, South Carolina: University of South Carolina, 2000), 128.

\(^{22}\) Woodman, *King Cotton*, 322.
this complex age.” Grady may have been the spokesman of the industrialization movement, but his message was almost uniformly taken up and disseminated across the South. Eleven years later, the Southern Cotton Spinners’ Association confidently pitched that, because of the proximity to inputs and abundant labor, “this favored land was the essential home of cotton manufacturing,” and that future success of mills was solely dependent on entrepreneurs “providing capital with which to buy some machinery.”

And in the decades following the war, when the world had never seemed more red in tooth and fang, this capital was scraped up somehow. If Charlestonian capital could not be acquired and the town was too insignificant for New York investment, municipal leaders turned to their citizens, appealing to their civic spirit and desire for growth. In fact, over half of the textile mills in South Carolina were community enterprises, financing by bonds or stock. The plan of Henry Grady and others to revitalize the South was adopted by leaders from Anderson to Americus, transforming “an economic development into a civic crusade inspired with a vision of social salvation.” Unusual in the history of economic development, historian C. Vann Woodward relates, this hue and cry was most noticeably taken up and enacted by “isolated Piedmont towns” as well as the big cities. It was a social campaign, as mill building was “preached with burning zeal from platform and pulpit and editorial cell.” And yet, though “every little town wanted a mill,” input from more substantial

investors did allow for correspondingly substantial mills.\textsuperscript{29} William Gregg writes that “business men of capital” were often called upon to assist the ascendancy of cotton manufacturing in South Carolina, and true to his hope, those entrepreneurs arose.\textsuperscript{30}

Often, they were businessmen who had either been born or had worked in northern states and who understood the operations of mills. Dexter E. Converse was one such man. Born in Vermont in 1829, Converse worked in mills in that state and in New York through his early years, traveling southward to manage a North Carolina mill in 1854. After the war, he moved to Spartanburg, rapidly working his way from manager to owner to industrialist. By his death in 1899, he owned the D.E. Converse mill in Glendale, as well as having built three mills in Clifton. Thanks to Converse and men like him, Spartanburg became a national leader in textiles; by 1907, the county had nineteen textile mills, most in the state, valued at $5,418,822.\textsuperscript{31}

Concurrent with the rise of business leaders was the ascension of other supporting infrastructure development, namely electrification efforts. The existence of an industrial cluster causes native innovation to spring up around it, postulates Michael Porter, and this did occur in the South during this era. One indicator of this innovation was simply in the field of capital investment, where newer, Southern mills far outstripped their aged Northern competitors – not only was the gross capital investment in Southern mills higher, but the new mills were uniformly “equipped with more up-to-date machinery than the mills of the old textile regions” of New England.\textsuperscript{32} Exposure to newer and more efficient technology, as a rule, fosters further improvement of the same. The most

\textsuperscript{29} Mitchell, \textit{The Rise of Cotton Mills}, 130.
\textsuperscript{30} William Gregg, \textit{Essays on Domestic Industry} (Graniteville, South Carolina: Graniteville, 1941), 27.
\textsuperscript{31} Kohn, \textit{Cotton Mills}, 110.
prominent facet of this innovation, however, was in the field of electricity, where the South took a national lead. Not only did the South boast “the first factory operated entirely by electricity,” but the development of cheap power became a competitive advantage for Piedmont mills. By 1927, over 90% of textile mills in the Carolinas were powered by electricity, a rate that far outstripped comparable industries and regions.

In fact, the rapid development of power plants in the Piedmont of South Carolina overcame the last major advantage of Northern states; “if the Piedmont South had not developed an adequate and cheap source of power,” one historian notes, “cheap labor and lower transportation costs would have been meaningless.” Reconstruction South Carolina may not have had research institutions or financial centers or political power, but she did have rivers. In April of 1894, a hydroelectric plant in Columbia made the news for powering a whopping seventeen electric motors, for a total of 1,105 horsepower. Concurrent innovations were happening elsewhere: a recent engineering graduate of the University of South Carolina, William Whitner, began to electrify his hometown of Anderson with a coal-powered steam plant in 1890. After realizing the cost-prohibitive nature of coal for intensive energy demands the young man journeyed to New York to consult with Nikola Tesla, and then returned to his hometown to shock natives with a plan to transport electricity from his envisioned hydropower plant on the small Rocky River, a full six miles outside of town. In 1895, his revolutionary alternating-current plant became operational and began powering the town. Anderson became known as “The Electric City,” and towns around the South began to take notice.

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33 Woodward, Origins, 132.
Yet Whitner’s creativity was not exhausted, and he realized improvements could be made. Contracting with a Massachusetts company to build customized commercial generators, Whitner built a massive, 4,000 horsepower hydroelectric plant on the nearby Seneca River, at High Shoals. It was to be “the first long-distance transmission power [plant] established in the South.”36 The buyer of the electricity? The fledgling Anderson Cotton Mill, producing standard print cloths, which had just opened in 1890.37

Buck Duke, the tobacco titan of North Carolina, began experimenting with hydroelectric power as early as 1894, and quickly focused on the Catawba River as the prime investment for his seemingly boundless capital. The Catawba flowed adjacent to existing population hubs, running from Asheville through Hickory and Charlotte and down through the South Carolina counties of York, Chester, and Lancaster before drifting down to the sea. Buck Duke’s primary goal, not only for selecting the Catawba as his entry point but for venturing into hydroelectric at all, was first and foremost to “spur industrialization in the Piedmont Carolinas through the growth of textile manufacturing.”38 To achieve this goal, he teamed with two key figures: Dr. Gill Wylie of the new Catawba Power Company, and none other than William Whitner, who designed a large-scale hydropower plant that became operational in 1904. Wylie was a renowned gynecologist and hydroelectric visionary who brought a dream of electrifying the Catawba River and a knack for persuading Duke to support this dream.

In 1905, Duke and Wylie partnered to incorporate the Southern Power Company – now the Duke Energy Corporation – with total stock of $7.5 million, headquarters in nearby Charlotte, and

37 Vandiver, Vandiver’s History, 293.
their first major project at Great Falls in Chester County. By 1907, the plant was producing 24,000 kilowatts and transmitting energy to Charlotte and beyond. Furthermore, electrification slashed the operating expenses of mills – labor, capital, and materials – enabling profits to correspondingly boom.

Funding for these hydroelectric projects on the Seneca and Catawba Rivers was thus scraped together by a combination of financial tools, including city bonds, investment by the founders, and financing from either Duke or wealthy investors from Charleston. Compared to many other Southern states, South Carolina was fortunate to have Charleston, a trading city of historical prominence financial means. Entire mill towns grew from the investment of that city, including Piedmont, Pelzer, Clifton, and Pacolet. When both Southern investment and local capital ran dry, prospective mill towns were forced to turn to New York selling houses for long term financing, or to strike a profit-sharing agreement with machinery suppliers to offset the initial cost.

Key financiers and innovators, then, were early competitive advantages of the South Carolina Piedmont. Geography certainly played a key role as well. The rivers that drained the Appalachians provided raw energy ripe for the tapping, and powered by the rapidly developing hydroelectric technology, mills took advantage of this natural resource. Hydropower was not a prerequisite for the creation of mills – the colossal Union-Buffalo mill, for instance, had its own coal-fired power plant. The clustering of South Carolina mills around rivers, however, lends credence to the theory of simple, flowing water serving as a competitive advantage.

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W.P. Swaffield, treasurer of a South Carolina mill in 1880, opined that “we have everything in this State to make cotton manufactures a success. Cheap land, cheap fuel, cheap labor, and the great advantage of having the cotton right at hand – being able to work the year round without any interruption from the cold.”  He estimated cost savings of 1.25-1.5 cents/lb. cost savings compared to New England. W.J. Cash emphasizes the labor cost differential alone, stating that increased freight costs in the South somewhat offset the input proximity, and that the climate of the region lowered efficiency. Although the North carried over a labor productivity advantage, this disappeared in the production of coarser cloths, where “interregional productivity differentials were non-existent or negligible.” Moreover, property taxes were substantially lower in the South during this era. David Doane reports that “between 1870 and 1890, the ratio of Northern to Southern taxes per $100 of assessed valuation were between 1.20 and 1.25.” Combined with the cheap prices of cotton – 7-8% lower than the North – the average total cost of production for coarse goods was an estimated 15% lower in the Southern states, and it was in this particular sector that the region specialized.

Demographically, it was the poor white farmer of the Piedmont that leaped at the opportunity to work in the mills. Freed from the drudgery and risk of farming, these men and women proved to be “quick to learn, and generally honest and industrious;” and perhaps most importantly, content with their condition. After the economic dearth of the past thirty years,
Southern peasants did not dream of unionization and the demands of Northern workers. The clapboard houses that sprang up around mills “were palaces compared to the old log cabin on the farm,” W.P. Hamrick wrote in 1924.\textsuperscript{48} Although the salary and working conditions - $3 a week for 72 hours work at the turn of the century – are shocking by modern standards, the fact that so many jumped at the opportunity speaks to the economic despair of the post-war South.\textsuperscript{49} It was also common for children to be employed at the mills in those early days; a situation that Broadus Mitchell optimistically views as “not avarice then, but philanthropy,” as it gave extra means of livelihood to supplement a family’s income and mirrored the amount of work they would have done on the farm.\textsuperscript{50} Others took the opposite view; and, in any case, employment of children was phased out over the next few decades.

\textit{Figure 4}

Textile mill family at their home, 1908
South Carolina \textsuperscript{51}


\textsuperscript{49} Hamrick, “Development,” 108.

\textsuperscript{50} Mitchell, \textit{The Rise of Cotton Mills}, 95.

Cotton mills bloomed across the South, finding a particular haven in the Piedmont regions of North Carolina, South Carolina, Georgia, and Alabama. Of the four, South Carolina shone brightest – journalist August Kohn wrote that “it is admitted on all sides that South Carolina holds first place among the Southern States in the development of the cotton mill industry.”52 This had not always been the case. In 1820, there were forty-two cotton mills incorporated in the South (including Maryland), of which South Carolina only had three, all of which spun cotton yarns.53

Figure 5
Mollahan Mill, 1908
Newberry, South Carolina 54

A sustainable baseline of economic opportunity thus sprouted where once there had been none. In his authoritative economic report of 1907, entitled “The Cotton Mills of South Carolina,”

52 Kohn, Cotton Mills, 6.
53 Kohn, Cotton Mills, 6.
54 Lewis Wickes Hine, Type of Young Woman at Spinning Machine in Cotton Mills, photograph (1908), Library of Congress, https://www.loc.gov/item/2018674016/.
Kohn writes the new issue was a lack of workers to fill the posts at the mills. “There are more spindles and looms in this country than there are people to work them,” he bluntly states. With the explosion in this widespread economic opportunity for the South’s citizens came a renewal of hope, casting off the hopelessness and despair that had characterized the immediate post-war period. One contemporary witness directly tied the ascension of the mills to this social rebirth: “The stagnation of despair has, by some magic transformation, given place to the buoyance of hope, of courage, of resolve…We are a new people.”

By 1925, it was little South Carolina that led the nation in the production of cotton products. And yet, after the first World War, the explosion of mills in the state led to a “false image of prosperity” caused by overproduction and overinvestment. Competition took the reins, leading to the stretch-out system of extended work hours, and declining wages across the board. The Great Depression burst this prosperity bubble, as the general economic state was exacerbated by the debt of textile mills and attempts at unionization. “No matter what goods any mills produced, there was almost no market” in the early 1930s, reports one historian. The push for collective labor bargaining had its pinnacle in the General Textile Strike of 1934, which in turn saw its apogee in the sleepy mill town of Honea Path, in Anderson County. In that year, the Chiquola Mill witnessed an all-out battle between hundreds of armed and striking laborers and anti-union forces, reportedly featuring all manner of firearms and even a machine gun from the first World War. Seven laborers were killed and more injured in the clash. There were triumphs, though, even in the midst of unrest.

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55 Kohn, Cotton Mills, 5.
56 Woodward, Origins, 112.
57 Edgar, South Carolina, 51.
59 Small, Textile Evolution, 3.
and depression: by 1939, the town of Lancaster laid claimed to the largest print-cloth mill not just in the state, but in the world.60

![Figure 6](image)

**Figure 6**  
Chiquola Manufacturing Company  
Honea Path, South Carolina  

World War II brought the resurgence in demand and rapid innovation that the textile industry desperately needed. During and after the war, “textile production soared with new fibers, new production, and new markets” according to an owner of Ottaray Mills in Anderson.62 In a case study of the Southern Piedmont, Anthony Tang found that Union County increased its value-added

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in manufacturing per capita from 1939 – 1947, rising an incredible $802 during these years.\textsuperscript{63} Greenville, Spartanburg, Lancaster, and Anderson were close behind, both in the increased figure and real dollar amount. The next two decades continued this trend of growth, with innovations and advancements in machinery, fibers, and infrastructure giving staying power to the industry. The 1950s saw an enormous coup for the state, as Milliken and Co., one of the largest textile manufacturers in the nation, relocated to Spartanburg County from New York.

By the time 1960 rolled around, the textile and apparel industry employed 20% of the workforce of the entire state. The vast majority of these employees were concentrated in the Piedmont region. Unlike many manufacturing sectors, mill jobs were open to women, who represented 44.75% of the textile workforce in that year. When looking at the demographics, mill work was also prejudiced towards the white population, who represented a full 94% of textile workers in the state in that year. Nearly one out of every three white workers in the state – manufacturing or not – worked for the textile or apparel industry in 1960. The scope of the industry is eyepopping now, and was a source of pride then.

Although the state began to diversify somewhat over the next ten years, by 1970 the industry had reached a peak of total employment: 184,200 workers in the textile and apparel industries, with 61% of these in the former and 39% in the latter sector. Of these, the vast majority – around four out of every five – worked on the floor of the factory, either as craftsmen or operatives. It could be considered a high-production, low-overhead industry at this point: only 3% of textile workers were in the professional fields, such as engineering, accounting, and mathematics, and sales (primarily in apparel) only represented 0.3% of total workers. In 1970, as throughout much of the preceding

century, the base opportunity was there for rural or urban members of the state’s workforce to earn a decent living in a steady job, in an industry that seemed invincible to the clanging of the economy.

Far from stagnating under its own weight, the textile industry in South Carolina was highly responsive to technological advancement. Doane cites Southern technological superiority as early as 1880 as a key factor in textile ascendancy – in the adoption of ring spinning, the revolving flat card, the automatic loom, and the use of electricity, “the South is believed to have adopted the changes more rapidly than the North.”64 It was obsolescence in machinery, George Tindall asserts, that “penalized the New England mills;” the South’s technological advantage helped her gain textile mills in the first place.65 A century later, in order to compete with foreign advantages in labor costs and keep pace with domestic rivals, Southern mills again turned to technological improvement to survive. During the 1990s, “there were significant advancements in technology in the textile industry,” recalls one mill executive, “and a lot of domestic producers invested heavily in upgrading equipment.”66 The economic census of 1992 reports capital investment of $31.4 million in Chester County; $31.6 million in Pickens County; and, of course, a whopping $60.7 million in Spartanburg County. These are hardly the investment figures of an industry pursuing a scalping strategy.

Economic evolution brings forth societal disruption; that much is undisputed. Even growth is inequitable, necessitating participation in the growth-producing activities to reap the benefits and always featuring some level of negative tradeoffs from that participation. Moving into mill towns, families realized that they were now spared the physical exhaustion of agriculture, but lost the varied

64 Doane, “Regional Structure,” 163.
65 James Tindall, The Emergence of the New South: 1913-1945 (Baton Rouge, Louisiana: Louisiana State University, 1967), 54.
66 Ellis Fisher (Inman Mills executive) in discussion with the author, March 2021.
work of a farm. Town living was easy, but weaned denizens from self-dependency. And mill work brought a real sense of community, but carried health ramifications with it. In a recent interview, a former worker at the Union Cotton Mill recalled the health hazards from mill work. Workers often lost the tips of their fingers from managing the hopper, a machine that beat the cotton and often jammed. Lung issues were common, including brown lung and asbestos lung problems; several workers in Union died from the latter, “and their families were never compensated. That was one of the downsides [of mill work]. It was in the air, and you walked in there and you’re breathing it, and you go in their every day for eight or nine hours a day – your system just gets coated with it”\footnote{Harold Thompson (Mayor of Union, South Carolina) in discussion with the author, February 2021.}

And yet, the benefits of textile mills – the upsides of manufacturing – were tangible then and gut-wrenching now in their absence. When the Lockhart Mill in Union County closed in 1994, one resident reflected that “there were no unions here because people were satisfied…satisfied with their jobs, satisfied with their supervisors, satisfied with themselves.”\footnote{“Lockhart is Facing the Ultimate Test of Survival.” GoUpstate.com.} Self-styled mill towns that allowed themselves to become dependent on their benefactors, such as Lockhart, saw decades of stability, ease, and prosperity. Graham Williams, editor of the Union County News, relates that “you had generations of families that worked in the mill; the mill provided everything for the people of this town.”\footnote{Graham Williams (editor of the Union County News) in discussion with the author, February 2021.}

Again, there were negative aspects to this gamble. Ware Shoals, located on the border of Greenwood and Anderson counties, presents perhaps the primary case study in economic paternalism that led to absolute dependency. The Riegel Manufacturing Co. built the town’s houses, the town hall, and the schools, managed the baseball team, owned a dairy and town store, and paid
60% of the property taxes and 20% of school taxes.\textsuperscript{30} Robert E. Coleman, chairman of the company, was a voice of confidence as late as 1982, projecting in that year that “our renewal will come when there’s an improvement in the general economic health.”\textsuperscript{71} It was not to be. In 1984, the mill abruptly shuttered, leaving the town devastated – it was “a season of bitter reckoning” for their dependency, as one writer put it.\textsuperscript{72}

Lancaster faced much the same situation as Ware Shoals. Just as Ware Shoals was supported by Riegel, the larger town of Lancaster had grown along with the Springs Manufacturing Company, operator of the Lancaster Cotton Mill in town, the Kershaw Mill a mile to the south, and a host of


\textsuperscript{73} \textit{Group Portrait of Thirteen Men and One Boy, Abney Mills Baseball Team}, Clemson University Libraries, http://purl.clemson.edu/7A5CE0BEB0151E9881089E24340A6EDC.
others. Springs was a homegrown success that had risen to become one of the largest companies in the state. Steady manufacturing jobs meant security, and security began to regress into complacency. “People in Lancaster didn’t have much reason to pursue college degrees or specialized job training, and the town didn’t have much reason to recruit other employers,” relates one account.74

Uniformly, the decline of Southern mills is blamed on a rise in foreign competition. As early as the late 1960s, businessmen were sounding the alarm on the threat of imported textiles and apparel. Mills that produced print cloth, which included most larger Piedmont facilities, sell in a hyper-competitive market where all products are commodities, nearly indistinguishable between companies. Price is the only differentiator in such a market. For example, Inman Mills in Spartanburg produced base, gray-colored broadcloths in 1965 that “have no identity as far as the consumer is concerned,” as company president James Chapman Jr. put it.75 As a result of this product identity, the increasingly competitive global market was hurting Inman more than comparable mills. On a macroeconomic level, it started to add up: the textile trade deficit in 1979 stood at $3.4 billion.76

In 1985, the President of the American Textile Manufacturers Institute tied the flood of imports to unequal labor conditions. “Our markets are overwhelmed by imports of yarn, fabric, clothing and home furnishings from foreign manufacturers whose low wages and working conditions would be unlawful in the U.S. Since 1980, more than 300,000 fiber, textile and apparel

workers have lost their jobs.” Riegel Manufacturing, in Ware Shoals, blamed their closing on an inability to compete with “an unchecked flood of low-cost foreign imports.” One study reported that an American textile worker earned 33 times what his Chinese counterpart did. The gap in labor costs could not be overcome, and textile mills fled the South like rabbits from a wildfire.

Not all imports during this era, it must be noted, were finished or even intermediate products. Reliance on Southern cotton was also slipping; a sign of a weakening cluster that went beyond the mills themselves. In 1985, for instance, 37% of the cotton used by American mills was grown abroad. Cotton farmer Joey Wilson of Chester relates that his county originally housed all elements of the textile supply chain. “We used to have cotton seed breeding and production, ginning, warehousing, spinning, weaving, dyeing, cut and sew, tractor dealers, fertilizer manufactures, textile equipment, and textile art firms. We had every part of the business from the cotton seed to bedsheets sold at retail.” Chester’s mills moved began moving overseas as early as 1990 and continuing until the mid-2000s, and the entire textile cluster imploded around their absence.


81 Joseph Wilson (farmer in Lowrys, South Carolina) in discussion with the author, February 2021.
Understanding the reason for this decline in the South Carolina textile powerhouses necessitates a brief overview of the political happenings that allowed for this rising and crippling international competition. The Multifiber Arrangement (MFA) of 1974 was the first primary vehicle of the textile globalization project, seeking to expand “trade in textile products, particularly for the developing countries, and progressively to achieve the reduction of trade barriers and the liberalization of trade in textile products.” Simultaneously, and perhaps contradictorily, it aimed to avoid economic disruption in both importing and exporting nations. Unusually, it also allowed for individual discrimination among nations in bilateral export quota arrangements. Foreign imports,

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however, were allowed to increase up to 8% a year; a number that Senator Strom Thurmond of South Carolina took issue with, stating that “he was deeply concerned about countries like Red China coming in on such a heavy mass scale of imports.” By 1984, the United States had negotiated deals with twenty-four countries under the MFA, generally for three-year intervals, and domestic textile employment had dropped by 15% over the past decade.

Despite the prevailing political winds of free trade, certain politicians were determined that the textile industry, the backbone of their states, would not slip demurely into the void. The primary legislation of resistance was the Textile and Apparel Trade Enforcement (TATE) Act of 1985, written by Representative Ed Jenkins of Georgia and sponsored in the Senate by Thurmond. The Act proposed curtailing textile imports from three of the Asian Tigers (Hong Kong, Taiwan, South Korea) and freezing imports from other developing countries (such as China, Thailand, Brazil, Indonesia, and Pakistan) at 101% of 1984 levels. These specified countries in the Act, entirely from Asia and South America, represented 73% of total textile and apparel imports in 1984. Furthermore, the act would grant protection to all fabrics, including silk, ramie, jute, and linen, as opposed to the MFA triad of cotton, wool, and manmade fibers. It was a bipartisan effort – Thurmond’s Democratic counterpart, Senator Ernest F. Hollings, was also strongly in favor of the protectionist policy. In a prescient statement, Representative Ed Jenkins of Georgia gave his reasoning for the act:


“there are small communities that are almost totally dependent on this industry for their entire livelihood. If the industry falls, the entire economic base of the town falls.”

It is a fascinating historical shift. In 1829, Senator Robert Y. Hayne, of South Carolina, built a free-trade political legacy by debating the Yankee colossus Daniel Webster on the tariff issue, pleading that protectionist tariffs were “utterly destructive of [the South’s] interests.” Yet it was William McKinley, the Ohioan, who as a Congressman in 1888 best foreshadowed the dilemma of the textile industry: “How are we to undersell the foreign product? By making the manufacturing cost of our goods less than theirs. In other words, by cutting down the wages of our skilled and unskilled labor.” Nearly a hundred years later, Jenkins, Hollings, and Thurmond were perfectly echoing this plea.

The TATE Act was vetoed by Reagan in 1985 on two main grounds: the first being the dogmatic free trade argument that tariffs would drive up clothing costs and result in retaliatory action, and the second being the reasoning that passage would jeopardize existing trade agreements, namely the General Agreement on Tariffs and Trade (GATT). The free trade camp concluded that 200,000 American textile jobs would have been lost anyway from 1973-1984 merely through productivity improvements alone. Thurmond threatened to override Reagan’s veto, but, lacking the threshold of Congressional support, the effort withered.

88 Speeches and Addresses of William McKinley, (New York: D. Appleton, 1893), 279.
Beginning in 1947, GATT was a series of consecutive agreements among a broadening global representation, beginning a diverse set of twenty-three nations that included the United States, France, the United Kingdom, and the developing nations of China, Syria, Burma, and others. The stated goal of the negotiations was to advance free trade principles by mutually reducing tariffs and all other forms of economic protectionism.

The Uruguay Round, negotiated over a whopping seven years from 1986-1993, was widely considered the most ambitious trade negotiation of human history. Not only did it stretch into nearly every field of international commerce, it abolished the GATT process itself, rebirthing into the World Trade Organization (WTO). Uruguay reduced the base manufacturing tariff rate from 6.2% to 4% and abolished protection altogether in several major industries (notably agriculture and biomedical). Although it did allow for an eight-year tariff for goods “imported in quantities sufficient to cause serious injury to the domestic industry,” the agreement singled out the MFA for phased elimination over ten years, bringing textile protection down to the level allowed for other goods.\(^90\) Again, there was a widespread hue and cry against the complete removal of the MFA. As the Uruguay Round was being finalized in 1993, one textile representative predicted that the agreement “will cause the loss of some one million United States textile and apparel jobs as it surrenders our market to producers from India, Pakistan and China.”\(^91\)

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Because of these trade agreements, Southern mills began feeling the pinch of competition in a major way. The Piedmont powerhouses that had built their name on cheap, lightweight commodity cloth were simply unable to keep up with foreign labor advantage. Faced abruptly with ballooning imports at far lower prices from foreign firms, the Southern mills that survived pivoted both fast and hard. Inman Mills in Spartanburg is one such company; as of 2021, they boast three healthy mills due to a combination of debt aversity and product diversity. In a recent interview with company executive Ellis Fisher, he relates that “in the past twenty years, we have become much more diversified and niche-driven, finding higher quality products.” Inman can now produce over five hundred combinations of fabric from a portfolio of thirty individual fibers, specializing in everything from fire-retardant yarns to industrial fabric for conveyor belts to heavy-duty cloth for the U.S. military. Fisher specifically points to the full entry of China and other Asian countries into global free trade agreements as the cause for the Southern textile collapse; although his company has scraped through, “when China entered the WTO, the entire industry in South Carolina changed.” He identified cheap labor as the primary cause, spurred by “artificial deflation of wages, currency manipulation, governmental support, and lower environmental standards” of foreign competitors.92

True to James Chapman’s recognition in 1965 and Fisher’s corroboration in 2021, the specific products hardest hit by the rise in foreign competition were the broadcloth fabric mills. In a textile cluster analysis of the state in 2003, Michael Porter calculated that it was this sector – popularly known as commodity cloth – that represented approximately 45% of all textile employment loss between 1990 and 2001.93 Yarn and thread, finishing plants, carpets and rugs, and

92 Ellis Fisher, March 2021.
specialty fabric processing were other sectors that saw significant job loss during this time. Porter’s report was damning; although South Carolina had the fourth largest textile cluster nationally, there was little innovation output from the state, with a lack of interaction and communication with research institutions and a difficult environment for startups representing other barriers to long-term health of the cluster. He also warned that the key textile customers of apparel and furniture were rapidly moving offshore, taking away a formerly strong local base of demand.

The North American Free Trade Agreement (NAFTA), a trade deal negotiated simultaneously with the Uruguay Round and passed into law in 1994, preempted the negative impact of Uruguay with a rush of Mexican apparel imports into the United States. Prior to NAFTA, only 35% of textile and apparel imports from Mexico were subjected to a tariff, priced at 17.9%. By 2004, the tariffs on all textile and apparel trade between the United States and Mexico were phased out completely.

Yet by 1996, it was China had become the world’s largest exporter of textiles and apparel, overwhelming even Mexican manufacturers with a flood of imports into the United States. In 2005, the WTO officially terminated the MFA’s export quota system for apparel and textile goods, the final step in the proposed phase-outs. In order to compensate industries and regions that were losers in this globalized game of economic cooperation, Congress authorized the Trade Adjustment Authorization (TAA) program in 1962 and ramped it up during the early 2000s. The TAA provided job reeducation programs and increased unemployment for workers displaced due to import competition under the new trade agreements. Analyses of its efficacy, however, have found that


there is “no statistical evidence that the TAA program improves the average employment outcome of beneficiaries,” and the Office of Management and Budget classified the program as “ineffective.”

By most accounts, the MFA had been nothing short of a failure. The libertarian-minded decried its legacy for exception-making, failing to save textile jobs in developed nations, and distorting the market “based not on optimal economic considerations but primarily on avoiding quota restrictions.” And they had a point. Before the complete elimination of MFA quotas, China represented 16% of the US/Canada market share for textiles; after the quotas were removed, this jumped to 50%. More liberal Americans railed that “millions of jobs [in developing nations] were at risk just from the end of the quotas,” combined with the necessary fall in the dollar from a growing trade deficit that would backfire on the United States as a whole. And they, too, had a point. Apart from China and India, the market share of all other country’s imports into the United States dropped from 24% to 10% after removal of the quotas.

In 2009, a United Nations report concluded that the “T&G [textile and garment] sector…is one of the most globalized of any in the world economy,” a globalization that “owes much less to normal market forces than to trade distortions, particularly the Multi-fibre Arrangement and its successor, the Agreement on Textiles and Clothing (ATC).” Furthermore, contrary to the


97 Ikenson, “Threadbare Excuses,” 5.


100 Thoburn, “The Impact of World Recession,” 1.
assertions of neoclassical economists, a recent report concluded that “that there is little evidence for substantial offsetting employment gains in local industries that are not exposed to the trade shock.”\textsuperscript{101} There was no manufacturing employment shift from textiles and apparel, the so-called comparative advantages of Asia, to those manufacturing sectors favorable to the United States. Unemployment and a shift to service industries replaced dreams of reallocation.

By 2006, the collapse was nearly complete. The prime example of that collapse can be found in none other than Wylie’s beloved Catawba region of York, Chester, and Lancaster counties. Springs Industries – the largest manufacturing employer in South Carolina in 1987 – had only

\begin{figure}[h]
\centering
\includegraphics[width=\textwidth]{textile_apparel_imports.png}
\caption{Textile and Apparel Imports - United States}
\end{figure}

recently changed their name to Springs Global. In 2006, following the WTO phase-out of all textile protections, the company announced that it would be immediately moving the last of its manufacturing operations to Brazil. The cost disparity in labor was simply too great. With that decision, the last 760 textile jobs in Chester County were lost, as well as others in York and Lancaster. In a press release, the chairmen of Springs inadvertently records an insider look of the industry mindset at the time.

“The actions we are announcing today reflect both the positive and negative impacts of adapting to the current highly competitive [globalized] industry environment. We deeply regret the loss of jobs in South Carolina and the impact on the lives of our employees, who have done an outstanding job of reducing costs and improving efficiencies.

On the positive side, we are fortunate to have operations in South America that are both very competitive and have the ability to add capacity relatively quickly.”

Manufacturing Job Loss: 1960 - 2010

Textile/Apparel Jobs in the SC Piedmont

Figure 10

Figure 11
Analysis of South Carolina Piedmont Counties

The historical record indicates that the economic dependency of the South on textiles and apparel caused an eventual economic disruption. The political record relays that it was the surge in foreign imports, especially from Asia, that overcame the labor advantage that the South initially had. And the sociological record flashes pictures of paint-flaked mill houses, population collapse, and a strangling death for towns dependent on mills.

It is the convergence of each of these factors that comprises a proper economic analysis. For this specific analysis, I seek to probe the historical result of this manufacturing reliance on a single industry, the socioeconomic impact of this economic disruption on places that relied on textiles, and the impact that state and local economic development policies had on combating the challenge. What was the impact of economic and political globalization, was the change uniform or inequitable, and what is the path of survival?

In order to answer these questions, I will primarily examine thirteen counties in the Piedmont region of South Carolina that can be classified as dependent on the textile industry. For simplicity’s sake, unless specified, usage of the term “textile” in the context of establishments or the overall industry also includes the conjoined apparel industry. Far from the simple cotton mills of the late 19th century, these two industries increasingly comingled; the “fates of textiles and apparels are intertwined,” as one economist puts it.103

These thirteen Piedmont counties have been selected for research after meeting two thresholds. First, they represented the original top thirteen South Carolina counties in terms of their

103 Zingraff, “Facing Extinction?”, 207.
tax value of textile and apparel mills, as given in Kohn’s 1907 report; this establishes a historical
investment on the textile industry that initiated concurrent with the rest of the regional industry.
Secondly, these thirteen counties were economically dependent on this single industry for
manufacturing employment. In 1960, at the employment zenith of the industry, textile and apparel
workers represented over 65% of the manufacturing employment for each county, and in several
cases this rate was at a whopping 90%. Given these two qualifying factors, there were only two
counties that were questionable: Aiken and Richland, both of which met the first qualification but
markedly failed the dependency quotient, and thus were discarded from consideration. These
county-level figures can be seen in Figure 12.

<table>
<thead>
<tr>
<th>County</th>
<th>TV</th>
<th>PofWF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spartanburg</td>
<td>1</td>
<td>79%</td>
</tr>
<tr>
<td>Anderson</td>
<td>2</td>
<td>81%</td>
</tr>
<tr>
<td>Greenville</td>
<td>3</td>
<td>75%</td>
</tr>
<tr>
<td>Union</td>
<td>5</td>
<td>90%</td>
</tr>
<tr>
<td>York</td>
<td>7</td>
<td>76%</td>
</tr>
<tr>
<td>Newberry</td>
<td>8</td>
<td>75%</td>
</tr>
<tr>
<td>Cherokee</td>
<td>9</td>
<td>86%</td>
</tr>
<tr>
<td>Pickens</td>
<td>10</td>
<td>68%</td>
</tr>
<tr>
<td>Laurens</td>
<td>11</td>
<td>78%</td>
</tr>
<tr>
<td>Greenwood</td>
<td>12</td>
<td>84%</td>
</tr>
<tr>
<td>Lancaster</td>
<td>13</td>
<td>88%</td>
</tr>
<tr>
<td>Oconee</td>
<td>14</td>
<td>81%</td>
</tr>
<tr>
<td>Chester</td>
<td>15</td>
<td>90%</td>
</tr>
</tbody>
</table>

**TV: 1907 Tax Value Rank**

**PofWF: 1960 % of Manufacturing Workforce**

Figure 12

These counties are illustrated in the map below, with the color gradient representing their
approximate manufacturing dependency on textiles (“PofWF” in the table above) in 1960, the height
of the textile industry. Notice, particularly, the proximity of these counties to the Appalachian
mountain chain. This geographic location meant access to rivers, and earned them the epithet
“Piedmont,” from the French word for “foothills.”
It is no coincidence that these textile-dependent counties represent this consolidated geographic region within the state – it was a region that, at the establishment of the mills, contained the advantageous resources of flowing water, a poor working-class population, and cotton. The first two of these factors has been sufficiently covered to this point. The third merits a closer look. This relationship matters because the cotton industry constitutes regional precedent for the economic dependency on textiles, and in fact, the growing regional reliance on textile and apparel companies merely represented a slight shift of the former dependency on cotton. Furthermore, local cotton was the most immediate satellite industry of the textile and apparel cluster. These thirteen counties, representing 24.8% of the land mass of the state, produced 39.1% of the state’s cotton in 1907. This figure was an increase of 43,323 bales from only two years prior.¹⁰⁴

To analyze if there truly was a correlation between presence of textile mills and virility of cotton production in these selected counties, I took the count of textile mills from August Kohn’s 1907 survey and ran it with a simple linear regression against county-level cotton production data from the United States Department of Agriculture, also from 1907. That regression is plotted below.

![Figure 14](image)

For every mill constructed in one of these thirteen counties, the data reports a correlated rise of 2,033 bales of cotton, or roughly 994 additional acres in cotton. Perhaps the establishment of mills spurred local farmers to plant more cotton, or perhaps the mills selected their locations according to the existence of a flourishing cotton culture. Likely, it was a combination of both factors. It is important to note that the number of mills is not the only causation for an increased

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amount of cotton – the adjusted R-squared for this data is only 0.375. However, a low p-value of 0.015 provides the statistical confidence to accept the hypothesis of correlation with fervor.

This background is critical to the understanding of South Carolina’s economic condition and the roots of its reliance on the textile/apparel industry. It was a state built on churning out of staples – even before cotton, fields of indigo and rice had powered the Lowcountry’s early ascendancy. The need for capital after the war prompted a gamble, one that the entire state, and much of the region, threw itself behind with all it could muster. W.J. Cash puts it vividly: the economic objective post-war was “not the building of a dozen mills or even a hundred mills, but more than a thousand mills. And this not slowly, but swiftly, now, as rapidly as the human will could achieve it.”\textsuperscript{106} It was a triumph that the economic boosters and leaders of the day lauded – a foray into industrialism, a true diversification of the economy.

But it was still a marked dependence on a single industry; still a dependence on the primary and tenuous competitive advantage of cheap labor; and still a dependence on cotton. Furthermore, it was a gamble that not all counties took equally. As evidenced by Figure 2, these thirteen Piedmont counties all invested heavily in the textile industry, that much is true. However, the percentage of investment by each county differed in several key ways.

With these facts in mind, the key questions of this thesis arise. Has the globalization of the textile industry affected all counties equally? Can the societal effects of this economic change be quantified at the county level? And most critically, did over-reliance on this single industry for manufacturing jobs come back to bite counties?

\textsuperscript{106} Cash, Mind of the South, 192.
When charting the impact of one specific industry on the economic and social health of towns and counties, there are a host of factors to consider. As covered previously, there are the political factors. Laws and treaties are key to the health of industry, perhaps more so than any other cause. Because they cover industries at a national level, however, the impact of these laws will be uniform across the counties considered.

From a surface level, Southern counties and towns can seem about as unique as a forest of loblolly pines. Peer in closer, however, and a myriad of differences appear, a collection too vast to be quantified or examined in the scope of this paper. Educational institutes and the condition of them differ: the economic impact of Lander University on Greenwood County varies from the impact of Winthrop University on York County, even though enrollment and achievement statistics may correspond. Geographic issues vary widely. Union County and Chester County share a border, a river, and had a similar growth in the textile industry; and yet Chester features a major highway while Union does not. Similarly, Union is physically closer to certain businesses and institutions than
Chester, and vice versa. Often, historical differences can be attributed to a single individual: a Converse, Wylie, or a Whitner that drives change in a town, the ripple effect of which echoes throughout history in inscrutable ways. Furthermore, due to the realities of fickle and ever-changing history, even the situation within a county is ever-changing. Writing on the development of local business clusters, Michael Porter affirms that their condition “continually evolves as new firms and industries emerge, established industries shrink or decline, and local institutions develop and change.”

The situation is not without hope, however. Several key indicator variables can be tracked that enable broad generalizations regarding both the economic and social conditions of counties; variables that can never tell the whole story or truthfully provide a complete comparison, but that can certainly aid in the effort. In order to begin this process with the thirteen select Piedmont counties, I have broken them up into three preliminary groups to briefly overview each one, and to show their rates of population change over the key time frame.

A first grouping can easily be made based on simple population size of the counties. In 1960, these were the four largest counties out of the Piedmont, with Greenville leading the way at 209,776 citizens and an impressive 23,517 workers in the textile and apparel industry and Spartanburg not far behind either figure. Greenville and Spartanburg were, and still remain, the epicenter of the Piedmont textile cluster. When August Kohn was auditing textiles in 1906, these four counties represented 56% of the total textile mills of the Piedmont. Spartanburg, long the industrial spearhead of South Carolina, led the way with nineteen total mills and a host of mill towns beginning to orbit Spartanburg itself, with names like Inman, Wellford, Enoree, and Glendale. As the hometown of William Whitner, the hydropower expert, Anderson received a jumpstart on its neighbors, with six mills in 1906 and the communities of Belton, Honea Path, Iva, Pelzer, Autun, and Williamston each financing a mill of their own. This was the trend across these four counties –
each featured a regional powerhouse in Anderson, Greenville, Spartanburg, and Rock Hill that led the way for a host of small towns, whether towns that had a mill or towns built because of a mill.

As Figure 17 indicates, each of these counties has seen impressive growth rates over the past century, often substantially above the state average. Out of the three groupings, these counties paced their neighbors, growing by an average of 16.2% every decade since 1900. At an astounding 37.3% population growth from 2000-2010, York County has become one of the fastest growing regions in the entire nation. Rates of growth spiked around 1980 and slowed over the next decade, corresponding to trends in the overall state. Spartanburg County, the host of Inman Mills and the Milliken Manufacturing headquarters, currently represents one third of the textile jobs in the Piedmont, staking its claim as the rallying point of the industry both in the state and country.
Grouping #2 is composed of those five counties whose manufacturing dependency on textiles and population is wedged between the other two groupings. With the exception of Newberry, who had the lowest population in 1960 and only surpasses Union and Chester today, this grouping could also be considered the mid-range population counties. From 1960 onwards, Pickens was the fourth most populous among the thirteen counties at an average population of 84,962, with Greenwood and Laurens representing the next two slots in the rankings.

From 1950 until 1980, Pickens County saw one of the largest growth spurts in South Carolina history, reaching a peak growth rate at 35% from the previous decade in 1980. Much of this is due to rapid growth in Clemson University, which expanded its student body by 458% from 1950 to 1990, until slowing markedly after that year.¹⁰⁸ On the other side, Newberry County saw a steady decrease in population starting in 1930, a trend which only began to change forty years later. Overall, whereas Grouping #1 saw population growth at 1.6% a year from 1900 – 2010, Grouping #2 grew by 0.92% annually.

The dependency on textiles ranged from Pickens County at 68.3% to Greenwood at 83.9%. In terms of this variable, there is little difference between these counties and Grouping #1. None of these quite approaches the dependency level of Grouping #3, and this differentiation is reflected in the upcoming economic vigor analysis.

Finally, Grouping #3 represents those four counties that were most dependent on the textile and apparel industry in 1960. Union County led the way with 90.2% of manufacturing jobs in the textile industry, with Chester close behind at 89.6%, Lancaster at 88.2%, and Cherokee at 86.5%.

The modern American mind has few examples of this level of complete economic dependency upon a single sector. As individual firms expanded – but mostly contracted – over this time frame at varying intervals and with different scopes, these four counties did not remain at the top of the leaderboard, but even apart from their noteworthy dependency levels in 1960, they have several aspects in common. For one, they were conjoining counties, sharing borders with each other and ringing what is now the Charlotte MSA. They shared two key rivers that flanked Chester County, the Broad River to the west and Wylie’s beloved Catawba River to the east, both of which were
extensively utilized for hydropower. Lancaster and Union were home to two of the largest mills in the state, employing a combined 2,750 workers as early as 1907.\textsuperscript{109}

If not prosperity, the time of the mills was an era of stability for these historically poor and largely agricultural counties. When the national unemployment stood at 5.5% in 1960, these four counties relished their average rate of 4.5%. Though steady, the mills had their limitations in propagating broad-scale economic renewal. In 1970, the poverty rate of the South stood at 18.5%, while these four counties averaged 20%. The combined population growth rate of these four counties was 0.59%, by far the lowest out of the three groupings, with Union and Chester counties having the slowest growth and, as reaching until 2010, the lowest median household income out of all Piedmont counties.

Although the individual economic state of these counties certainly differed over this time span, one factor remained constant. Less and less jobs were available to work with cotton and with cloth. Ironically, this represented a positive feedback loop. As the textile and apparel industry fled the region in the late 20\textsuperscript{th} century, fewer and fewer workers had the specialized skills needed to fill increasingly advanced positions. Long gone are the rote days of doffers and carders. Ellis Fisher of Inman Mills recently observed that the biggest challenge his mills face is finding the skilled labor to operate and repair complex textile machinery. “The labor pool has collapsed over the past twenty years,” he regrets. “As both the supplier pool and labor pool have gotten a lot shallower, so the ability to innovate and advance has been restricted. This impedes the effort to build back the cluster through innovation - but we're doing our best.”\textsuperscript{110}

\textsuperscript{109} Kohn, \textit{Cotton Mills}, 87.
\textsuperscript{110} Ellis Fisher, March 2021.
Hypothesis

Hₐ: A county-level historical reliance upon the textile and apparel industries for manufacturing jobs is correlated with a relatively poor modern and current standard of living, measured since the collapse of the aforementioned industries.

Data

Attempting to quantify as ethereal a concept as “standard of living” is an imposing one. Quantifying the incalculable is, however, the prized and no doubt envied purview of economics among the sciences.

Unless specifically cited otherwise, all demographic data listed in this paper was drawn directly from the decennial United States Census. The other primary sources were the United States Economic Census (known as the Census of Manufactures before 1992), the Annual Survey of Manufactures, and the American Community Survey.

Data for this analysis was drawn at a county level, not at a town level. There are three primary reasons for this. Firstly, although textile mills and apparel companies often located in an existing city, they just as often chose to establish themselves on the outskirts or even to build a clapboard-house town of their own. For those early mills that used waterwheels as power, this was driven by a need to build beside a river; for others, cheap or available land was the draw. Secondly, the economic impact of even urban mills extended beyond a mere town, whether through direct, indirect or induced economic multiplier effect. Finally, key economic data for individual cities is limited in census data after 1970, and small towns are often excluded entirely. Counties, therefore, are the sole and sufficient option.
In 1960, 86.1% of all workers in South Carolina lived in the same county as their job. For the textile industry, this statistic was certainly far higher, given the tendency of mill workers to live directly adjacent to the mills. Given that, we can assign county-level statistics to a county alone with reasonable accuracy.

On that note, 1960 was the year chosen for the beginning of this analysis. This selection was one grounded in historical cause; this was the year when the textile industry in South Carolina can be considered to be at its peak. Although manufacturing dependency was higher in the early years of the 20th century, and although employment figures for several counties rose slightly, this was the decade of the start of foreign competition – competition that, by 1970, was already stunting the growth and sniping at the sales of the industry.

The end data varies by factor between 2010 – 2019, with this lack of uniformity predicated both by data availability and intention. This varying allows a discounting of the lingering effects of the 2008 recession, as some variables are explicitly targeted at 2010 to measure economic resiliency and staying power. The decade of the 2010's swung the full length of the economic pendulum - by spreading the data throughout this time range, a more comprehensive analysis can be conducted.

To establish a realistic and sufficient measure of economic and social health – a combination that I have termed “economic vigor” – this analysis has selected seven key variables. Each of these factors is relevant and crucial to understanding county-level health. As this is a historical analysis, four of the seven deal directly with percentage change over the selected time span of 1960 – current day, and three solely cover the current state of counties. A balance is thus struck between proportional economic change over this time span and the modern situation.

Finally, these factors do not directly measure the output of the county, textile or otherwise. Instead, they cover the health, the strength, and the livability of the county – top to bottom. The top
of the socioeconomic strata is measured by factors such as the rise in high-output professionals and the percentage of adults who have an advanced level of education; the middle is covered by the change in median household income and the percentage change in population; and the bottom is represented by the poverty and unemployment levels and the percentage on food stamps. No town can be healthy when any of these levels is declining; this data representation seeks to capture that.

A county that scores highly across these factors is one with an engaged and educated workforce, widespread prosperity, innovation in business, only a small impoverished population, and net immigration from socially mobile people who see these facts and want to live there. Furthermore, it has improved in these areas over the past sixty years. It is, in other words, a region of economic vigor.

**Indicator Factors of Economic and Social Health**

1. **Rise of the Creative Class** (coded as “creative”): Selected in accordance with urban theorist Richard Florida’s theory on the subject, this figure measures the simple increase or decrease in certain professions that Florida argues are central to economic development. Data was drawn from the Economic Research Service (ERS), and was calculated from 1990, the first year of the data, until a pooled value for 2007-2011, the last figure.

As defined by the ERS, the creative class consists of thirty employment categories, covering the fields of business management, finance, computer science, mathematics, architecture, engineering, the life and social sciences, legal operations, education and training, art, sales, art, design, communications, entertainment, and media.
Florida explains that this statistic is not just a replication of the higher-education percentage, but measures “the work people actually do. The creative class is not just a proxy measure for college graduates…four in ten members of the creative class [in America] do not have college degrees.”

2. **Population Growth** (“popgrowth”): This key variable measures the percentage change in population from 1960 to 2019. Migration into particular towns is one of the most stalwart indicators of the economic opportunities there, as incoming residents estimate that the wages and quality of life outweigh their current town, even when relocation costs are added into the equation. This statistic takes the state of the county at the height of the textile industry into account, placing all counties on the level playing field of percentage increase or decrease.

3. **Poverty** (“poverty”): The percentage that current (2019) poverty levels represent of 1960 poverty levels. One of the prime figures for measuring the comprehensive health of the economy, poverty levels are particularly revealing for the textile industry, as the demographic most affected by the sector collapse is the lower to middle class that made up the bulk of manufacturing jobs. Thus, this is a measure also of the existence and adequacy of textile replacements.

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4. **Median Household Income** (“mhi”): The simple increase in median household income from 1960 to 2010. As all data points are taken in the same years, inflation is implicit in the equation.

5. **Levels of Higher Education** (“education”): This factor measures the percentage of adults with at least a bachelor’s degree, pooled over the years 2015-2019.

6. **Unemployment** (“unemployment”): The second of the three current statistics. Calculated as U3 in 2019, this statistic measures the percentage of residents who are jobless but have sought work within the past four weeks and are available to take a job. Because of this definition, it excludes the chronically unemployed, a demographic key to the societal health of a region and captured in the following factor.

7. **Supplemental Nutrition Assistance Program Dependency** (“snap”): Addition of the SNAP variable measures the percentage of the county’s population receiving SNAP benefits in 2010. By including this variable, and in this specific year, the core strength of the economy is measured. Recessions test the mettle and strength of companies across all sectors, and a large portion of your citizens relying upon the federal government for living assistance, especially during a recession, is a sign of fundamental weakness. In South Carolina, the income threshold for SNAP benefits is 130% of the federal poverty level; 45% of SNAP recipients are children, with nearly 30% of recipients being 55 years or older.\(^{112}\) This factor,

then, also measures the wellness of two demographics that might not be included in workforce data.

The primary independent variable for this study is the **Manufacturing Dependency on Textiles** (“textile”): the percentage of the manufacturing workforce employed by the textile industry in 1960. This factor measures the relative dominance that this sector had on the manufacturing of a county.

This particular statistic is chosen because of the economic primacy of manufacturing. Out of what can be considered the three major sectors of the economy – agriculture, manufacturing, services – manufacturing “provides high-wage jobs, especially for workers who would otherwise earn the lowest wages, is the major source of commercial innovation, can make a major source of commercial contribution to reducing the nation’s trade deficit, and makes a disproportionately large contribution to environmental sustainability.”\(^{113}\) Specifically relevant is the first point – economic opportunity to less-educated workers. This was the initial selling point for the original textile mills, and existence of such jobs is still critical for modern economies to be successful. Apart from the prominent economic multiplier and trickle-down effects of the sector, manufacturing jobs average a 19.9% higher salary than all non-manufacturing jobs.\(^{114}\)

In order to more comprehensively study the impact of the decline of the textile industry beyond simply the South Carolina cluster, forty-seven other Southern counties were analyzed on these factors. When included with the thirteen South Carolina counties, the full dataset then comes


\(^{114}\) Helper et al., “Manufacturing,” 4.
out to sixty counties, thirty of which were economically dependent (≥ 65% manufacturing dependency on textiles) and thirty of which were not dependent (≤ 35% dependency). These counties were chosen primarily from the three other states that constituted the bulk of the Southern textile industry – North Carolina, Georgia, and Alabama – with a select few other counties selected from neighboring Southern states of Kentucky, Tennessee, Mississippi, and Louisiana. Textile counties were selected primarily from the Piedmont region of the four critical states.

Two criteria were considered in this selection of the forty-seven other counties. First, these counties were chosen to give a full approximation of population ranges in 1960, in order to approximate the size proportions of the South Carolina dataset. For instance, though two of the thirteen counties in the South Carolina study (Greenville and Spartanburg) can be classified as large and two (Anderson and York) as mid-sized, this ratio does not hold true across the Piedmont South. Proportionally more large counties were thus favored to simulate this ratio, hence the specific inclusion of select large counties from neighboring states. Secondly, counties were chosen to give an equal representation to textile independence and reliance to evaluate the criteria more effectively. Beyond those two qualifications, counties were selected randomly.
As demonstrated in Figure 18, the distribution of the mean of scores by state is similar, certainly when standard error ranges are taken into account. Two obvious outliers present themselves: Columbia County (10.14) and Paulding County (10.12), both of Georgia.

Georgia is a highly representative state, both nationally and internationally, because of the degree of urbanization and resulting centralization of wealth that has occurred in recent decades. This growth is typified by Atlanta, the largest city in the Deep South and one of the top MSA’s in the nation. One of these two outliers, Paulding County, is located on the northwestern outskirts of Atlanta. As with Columbia County, it was a moderately textile-dependent town in 1960, with a manufacturing reliance score of 37.9%. Since that time, it has been subjected – or perhaps treated – to the insatiable sprawl of Atlanta. Developed land in Paulding has increased by 594% from 1982 to
Out of the sixty counties examined, Paulding made the largest population increase, bounding from a rural community of 13,101 people in 1960 to over 142,000 citizens today. Similarly, Columbia County is located adjacent to another flourishing city, Augusta, and was an outlier by the increase in median household income, having one of the highest values in the state at $84,549. It has also experienced a correlated population boom in recent years that has revitalized the formerly textile-heavy town.

The scores of these two counties have been included for three reasons. First, they were selected in the randomized process. Second, they serve as representative to the disparate economic and population growth that has occurred in certain counties around the South. The evolution of these two counties is far from limited to them, but is happening around the outskirts of metropolises in neighboring states. Although not quite to the same extent, York County in South Carolina and Gaston and Cabarrus Counties in North Carolina have seen similar trends. Third, their inclusion did not alter the primary regression analysis, which was run both with and without them to the same conclusion.

Method

In order to evaluate the cumulative effect of the factors, I utilized a data standardization method with the following equation:

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This process yields a uniform scale for each of the data points by county, converting them into a standardized decimal between 0 and 1. Then, by adding each standardized point by county, a cumulative score of equally weighted variables is achieved that enables comparative analysis.

Transforming the data in this way allowed for simple linear regressions to be run, with “score” as the dependent variable (y) and “textile” as the independent variable (x). Five such regressions were calculated: the entire dataset of Southern counties, and individual regressions for the selected counties in North Carolina, South Carolina, Georgia, and Alabama. Unless specified otherwise, the regression equation for all regression analyses is: \( Y_i = \beta_0 + \beta_1 x_i + u_i \).

**Results**

Although multiple regressions with interaction of the variables were also calculated, the compilation of the seven economic vigor indicators into a single score allows for a simple linear regression, which is preferable for its comprehensiveness and eponymous simplicity. First, all sixty Southern counties in the dataset were analyzed in this way.
Figure 20

The result? There is insufficient evidence to overturn the null hypothesis of no difference. In other words, we cannot conclude, in the South at least, that a historical dependency on textile manufacturing has resulted in a relatively worse economic vigor.

Introduction of a dummy variable for textile dependency ≥ 70% did not change the conclusion, with both a low (and positive!) slope estimate and an outrageously high p-value. Analyzing the score against a dummy variable for size of the town gave the same result, as did multiple regressions that sought to capture any interaction between either real size or textile dependency, or the dummy variables of the same. The same regression test was also calculated for only the textile dependent counties in each state. In none of these tests was the significance level close to being met.

In light of the lack of a trend identified in the entire dataset, the base regression ("score ~ textile") was performed for the Alabama (12 counties), Georgia (16 counties), and North Carolina (14 counties) datasets. Each of these states gave a similar result to the overall trend, conclusively failing to overturn the null hypothesis. Key outcomes of this regression are listed below.

```
Call: lm(formula = south$Score ~ south$textile_percent)

Residuals:
   Min     1Q   Median     3Q    Max
-2.6946 -0.9461 -0.2503  0.5973  6.4286

Coefficients:
                Estimate Std. Error t value Pr(>|t|)  
(Intercept)     3.62493    0.42914  8.447  1.1e-11 ***
south$textile_percent  0.02444    0.07462   0.328    0.744    
---
Signif. codes:  0 ‘***’ 0.001 ‘**’ 0.01 ‘*’ 0.05 ‘.’ 0.1 ‘ ’ 1

Residual standard error: 1.708 on 58 degrees of freedom
Multiple R-squared:  0.001847,  Adjusted R-squared: -0.01536
F-statistic: 0.1073 on 1 and 58 DF,  p-value: 0.7444
```
When South Carolina was analyzed in this way, however, a highly statistically significant and fascinating conclusion is reached: our hypothesis (Hₐ) is found to be true. The result of the simple linear regression, as seen in Figure 21 below, relays that the economic vigor score for the thirteen analyzed Piedmont counties drops by 1.15 (out of 7 possible points) for every 10% increase in job dependency on textiles. Moreover, the textile dependency factor easily meets the required significance level, and the adjusted R² indicates that 34.79% of variation in the data is explained by the “textile” variable, a relatively high rate for such a complex model.

<table>
<thead>
<tr>
<th>Estimate</th>
<th>Alabama</th>
<th>Georgia</th>
<th>North Carolina</th>
</tr>
</thead>
<tbody>
<tr>
<td>Slope Estimate</td>
<td>0.3729</td>
<td>0.4155</td>
<td>0.2075</td>
</tr>
<tr>
<td>Residual Standard Error</td>
<td>1.241</td>
<td>2.878</td>
<td>1.009</td>
</tr>
<tr>
<td>Adj. R-sq.</td>
<td>-0.09651</td>
<td>-0.06986</td>
<td>-0.08082</td>
</tr>
<tr>
<td>P-Value</td>
<td>0.8619</td>
<td>0.8881</td>
<td>0.8701</td>
</tr>
</tbody>
</table>

Figure 21

Figure 22

```
Call:
  lm(formula = textile$Score ~ textile$textile_percent)

Residuals:
  Min 1Q Median 3Q Max
-1.3330 -0.7782 -0.2176 0.6181 1.9061

Coefficients:
                     Estimate Std. Error   t value     Pr(>|t|)
(Intercept)     13.3744      3.4457     3.881 0.00256 **
textile$textile_percent -1.1552      0.4246    -2.721 0.01991 *

---
Signif. codes: 0 ‘***’ 0.001 ‘**’ 0.01 ‘*’ 0.05 ‘.’ 0.1 ‘ ’ 1

Residual standard error: 0.9756 on 11 degrees of freedom
Multiple R-squared: 0.4022,  Adjusted R-squared: 0.3479
F-statistic: 7.402 on 1 and 11 DF,  p-value: 0.01991
```
In a dataset as small as this one – only thirteen textile-dependent counties in a particular region in a particular state – the question of causality can be difficult to ascertain. Although there is an identifiable trend, the economic performance of only a few counties can sway the entire result.

Figure 23

Cook’s distance is an econometric test that identifies which variables are most important to the regression conclusion; in this case, which counties were most crucial to the hypothesis being verified. In descending order, the top three counties that this test identified are: Pickens (0.4), York (0.32), and Chester (0.14). Pickens, the dot to the far left of Figure 23, provides the crucial result of a relatively small textile base that has seen a moderately high level of economic growth, while Chester represents the other end of the spectrum, with the lowest score of all thirteen counties and a heavy
historical dependence on textiles. York has the largest residual out of all counties and ranked in the top three scores out of the sixty counties examined.

The adjoining counties of Chester and Union can be seen in the bottom right-hand corner of Figure 22. Without their inclusion in the data, the regression trend becomes statistically insignificant, although still existent, with a p-value of 0.2871 and the $R^2$ plummeting to 0.027.

**Analysis**

In summary, the hypothesis (historical reliance on textiles results in a poor modern situation) was proven false for the entire dataset of Southern counties. It was, however, true for the South Carolina Piedmont. Moreover, the significance of the regression was dependent on a few select counties.

![Economic Vigor Score - SC Piedmont Counties](image)
The above graph, simply showing the scores of the South Carolina counties, yields several interesting insights. Firstly, County Grouping #1 (the larger counties) are all in the top half of the results, with York and Greenville occupying the top two spots. Conversely, three of the counties in Grouping #3 (smaller, textile-dependent) occupy the last three spots.

This begs the question – is size the only predictor of economic resiliency through globalization? It is common knowledge that larger American cities have grown at faster rates than smaller ones over the past century. Is the simple population advantage, then, why York is better off than Chester? The data does show a correlation. For these South Carolina counties, every additional 10,000 residents of a county bring a $438 increase in the median household income change, a decrease in unemployment of -0.02, and an increase of 0.065 in the economic vigor score. Each result is statistically significant.

Moreover, this finding can be extrapolated. The entire dataset of Southern counties was analyzed by the driving distance from the county seat to one of the top five cities in their respective states. Counties that contain such a city, such as Greenville, were removed. Albeit with a low R² of 0.102, a statistically significant correlation exists here as well. For every additional mile removed from a regional metropolis, the economic vigor score of counties decreased by -0.032. This finding, although helpful to have in mind, is a well-known one in the field of economic development. Anthony Tang, in his brilliant 1958 treatise on economic development in the Piedmont, writes that rural counties “favorably situated in relation to major centers of economic development have encountered relatively few difficulties in adjusting their agriculture to changing conditions.”

Further, it is the “remote, underdeveloped farm areas, already the victim of economic development, [that] seldom find themselves in a position to participate fully in general technological advancement.”

Population size, therefore, does play a role in predicting the socioeconomic health of counties. It does not explain why South Carolina was the only state examined that had this strong trend. Through examining the residuals and Cook’s Distances of the regression, another narrative is more likely.

The Piedmont region of the South, historically an impoverished region reliant on cotton, received the bulk of textile investment in the late 19th and early 20th century largely because of that cotton production, their proximity to bountiful flowing water, and the presence of a few local inventors and financiers who recognized the opportunity and poured capital into infrastructure and innovation. The textile cluster radiated outward from Spartanburg, Greenville, and Anderson counties, the three largest in the region as early as 1890. Smaller counties eagerly embraced the textile opportunity as well. Larger counties, however, soon began to diversify their manufacturing base, while smaller ones clung to the stability of textiles until it was too late to change. Furthermore, if a county was a historical population hub (Grouping #1) or had a major educational institution (Pickens), then their current situation was given a boost relative to surrounding counties.

**Economic Development Strategies**

Though more prolific and targeted now, economic development incentives are not new to South Carolina. In 1880, one state report describes an industrial incentive that now would be

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unspeakably radical: a ten-year exemption from taxation on all new machinery in textile plants.\textsuperscript{118} This law was a “great inducement to the establishment of new factories,” stated a textile executive of that day; but, as normally occurs with such exemptions, it served to place South Carolina on a level footing with neighboring states instead of representing a distinct competitive advantage.\textsuperscript{119}

On a county level, all relied on the textile industry, and grew in correlation with it. However, some counties clung to this dependence longer, and others began aggressively pursuing varied economic development sooner. A fitting analogy, perhaps, is the cultivation of cotton. Although each of these counties had prime conditions for growing cotton, external pressures began to wrack the industry. Pests came in increasing numbers, foreign competition arose, domestic demand wavered, and the soil began to grow exhausted of nutrients. Some counties, recognizing this either consciously or otherwise, began diversifying their farming with peaches or beef; others stubbornly clung to cotton and the processing thereof, ramping up spending on investment in a myopic determination to hold on to the glory days. It is both a metaphor and a reality: for some, their manufacturing strategy merely mimicked their agricultural know-how.

In 1990, nearly 66\% of the manufacturing workforce of Union County had a job in textiles. Cherokee and Chester were close behind, at roughly 57\% apiece. Pickens was at 54\%. Imports were already beginning to chip away at market share, but new capital investment figures for Pickens County were $31.6 million in the 1990 census, while Chester County was at $31 million and Cherokee at $28.3 million. Each of these figures by these little counties was higher than the new investment by Greenville, the county with the most textile businesses in the state.

\textsuperscript{118} South Carolina Department of Agriculture, \textit{The Cotton Mills of SC}, 7.
\textsuperscript{119} South Carolina Department of Agriculture, \textit{The Cotton Mills of SC}, 8.
This strategy was not uniform across counties, however. By the 1990 census, Newberry County had reduced its textile reliance to 33% of its workforce. This diversification was timely, as over the next decade, their two remaining textile mills would both leave, and the number of apparel firms would drop by half. Despite this disappearance of the mill industry, Newberry’s manufacturing workforce only dropped by a mere 11% from 1970 to 2010; by far the best among the South Carolina counties examined. By comparison, Lancaster County lost 83% of her manufacturing workforce over this time span, Union County lost 77%, and Chester County lost 64%. Figure 1 illustrates this change in the manufacturing workforce over this time span.

In Newberry’s case, the county diversified its manufacturing primarily through attracting a diverse mixture of outside firms, both national and international. Even since the 2010 census, Newberry has improved further with the successful location of a Samsung home appliance manufacturing facility in 2017, a $350 million investment that employs 1,200 workers. Samsung cited Newberry’s “high-skilled workforce, robust supply chain and transportation infrastructure and commitment to public-private partnerships” as the key reasons for the site selection. The county also boasts the largest Kraft-Heinz turkey processing facility in the nation in the Louis Rich plant, which employs 1,500 workers and has expanded over the years. Other major manufacturers include Valmont Composite (headquartered in Nebraska: fiberglass poles), MacLean Power Systems (headquartered in Illinois: power systems products), and Kiswire Inc. (headquartered in South Korea; steel cord for automobile tires). Smaller manufacturers have chosen Newberry as well,

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including Falcon Boats – a South Carolina-based manufacturer of fishing boats that moved to Newberry in 2016 and employs 35 workers.\footnote{123}

Newberry was not the only county to diversify her manufacturing in this way. The tri-county swath of Greenville, Spartanburg, and Cherokee have emerged from the textile collapse with a combined 72% of their manufacturing jobs retained. As “key members of the Spartanburg business elite” began to realize in the 1960s that textile tariffs would not be maintained, they developed a plan: “if they couldn’t fight the internationalism, maybe they should try to use it to their advantage.”\footnote{124} As with the early textile boosters seventy years before, Spartanburg leaders pitched cheap land, energy, and water in the Piedmont region of the state. And, unlike early textile mills, incoming foreign direct investment (FDI) would have access to a large workforce highly skilled in manufacturing and machinery. Spartanburg’s Chamber of Commerce and community leaders “threw themselves with almost obsessive determination into the slowly awakening competition for foreign investors,” and the flow of companies began: Hoechst, Michelin, Rhone-Poulenc, Ciba Geigy, Saxonia-Francke, Eltex, and a host of others from France, Sweden, Switzerland, and more.\footnote{125}

Anderson and York began to share in the blessings: notably, in 1985, Bosch opened an automobile sensor plant in Anderson County. The entire region began to acquire a reputation as an emerging automobile cluster, rippling out from the aggressive leadership of Spartanburg, and the entire state began to adopt the industrial recruitment strategy of Spartanburg’s leaders. “No southern state,”


\footnote{125} Maunula, “From Mill Town,” 151.
lauds historian James Cobb, “proved more successful at attracting foreign plants than South Carolina.”

The 1992 decision of BMW to locate in Greer, on the border of Greenville and Spartanburg counties, remains the crown jewel in the diadem of the South Carolina economic development history. BMW listed the following reasons as key for their location decision: a history of manufacturing and the resulting work ethic, the strong technical education system, attractive incentives, access to the nearby inland port and airport, low costs, and confidence in the local and state leadership. Since opening their Greer plant, BMW has invested over $8 billion in capital and facilities. Currently, they directly employ over 10,000 workers, and have created a horde of supplier and supporting industries.

As the textile industry has collapsed, however, leaders in low-performing counties have not merely accepted the slide. Their primary response has been mimicking the “Spartanburg strategy” of the 1980s. This includes both foreign direct investment and luring other manufacturers to the county through the use of speculative buildings and incentives. The quest has not been in vain: from 2003-2017, South Carolina led the nation in the location quotient of foreign direct investment.

Union County, for instance, currently features five zoned industrial parks. Their County Plan focuses on two main categories: workforce training and infrastructure development. The former

includes improving bureaucratic efficiency, expanding participation in technical education, and, most aggressively, a plan to “actively market job opportunities in Union County” to “U.S. regions with lower levels of economic development activity.” On the infrastructure side, specific plans include increasing broadband access, developing water and sewer capabilities, and widening the primary connecting highway to I-26. Dr. Allan Charles, the preeminent historian of Union County, states that “every chamber of commerce knows the path you have to take to grow: you have to be hunting industry and building spec buildings.” The impact of globalization, he concurred, have hit the more textile-dependent counties the hardest. And although they have filled the gap somewhat, “the new jobs that have moved in pay a whole lot more [than textiles], but there are not as many of them.”

Chester County attempted to immediately fill the mill vacancies with similar businesses, often in the empty mill buildings. In 1983, one of the three mills in Great Falls, on the Catawba River, was sold to Flextronics Southeast – an electronics company based out of California. Another Great Falls mill traded hands a few times, settling on an art distributor in 1990. In 1998, another mill in Chester proper was sold to a picture-framing business.

Raw numbers do not tell the whole story, however. Especially in smaller counties, manufacturers are increasingly locating in specially-zoned industrial parks outside of cities and near major highways or railways. This strategy might be cost-effective, but it represents a migration of

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131 Allan Charles (professor, University of South Carolina – Union) in discussion with the author, March 2021.

132 Allan Charles, March 2021.

jobs from the city center outward. The center of the town, and resulting community spirit, has suffered. “The textile industry leaving slowed the growth of the community,” reflects Harold Thompson, the mayor of Union.

A walk down Main Street in Union confirms the economic consequence of this change. A full 35% of storefronts in the center of town are empty. In other similar towns – the county seats of largely rural counties – Main Street closure is even higher. Chester, for instance, lacks the benefit of a college in the middle of town that brings in over a thousand students, as USC-Union does.

Economic development efforts, then, are well and good, preventing the economy of these counties from implosion. Yet the path forward is certainly difficult. As Allan Charles points out, “the economic development we’re doing is competitive - there are over three thousand counties in the U.S. and at least half of them are in the business of recruiting new industry.” And the victories are relative. Union’s top private sector employers are Gestamp (Spain: auto stamping), Dollar General (distribution), Belk (distribution), and Timken (Ohio: roller bearings). Milliken, a Spartanburg-based textile manufacturer, also operates two large plants in Union County that employ a total of 338 workers. Although these have somewhat filled the gap left by textiles, the manufacturing workforce of Union has dropped by 72% since 1980. New jobs have come in, but they have been a net loser from the globalization of textiles, and the largest new employers are either satellites of the BMW automobile cluster or distribution, simply moving products around instead of creating them. And yet, even though they are relatively close to Spartanburg, the ripple effects of the automobile cluster have not benefited Union as much.

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134 Harold Thompson, February 2021.
135 Allan Charles, March 2021.
Take a county like York, on the other hand. Top employers of that county include healthcare, financial services, telecommunications, and nuclear power generation. While York also has distribution centers (Ross, U.S. Foods, Black and Decker), their workforce is far more varied and advanced, representing high-wage jobs that similarly attract highly educated workers.\textsuperscript{136} Similarly, Anderson County has prioritized a diverse manufacturing sector, stating that “for a county to grow their base economy, industries that generate wealth from beyond county lines such as manufacturing, finance, technology, etc., must be actively facilitated and recruited.”\textsuperscript{137} Why these jobs particularly? The answer lies in stability, the cluster effect of manufacturing, and the opportunities for workers. Out of the top fifteen economic sectors in Anderson County, durable and non-durable manufacturing pay the highest weekly wage, at $911 and $820, respectively. In comparison with less developed counties, Anderson boasts fifty-one foreign firms, indicating that this manufacturing recruitment strategy has been far from a short-term endeavor.

\textbf{Conclusion}

When analyzing history, it is human nature to assign blame to specific causes. In this case, the impact of globalization – the opening up of the American textile industry to cheap foreign competition – has been the control treatment applied equally to the entire nation. Clearly, however, the end result has not been equal across the board. This disparity cannot merely be attributed to a few individual business or political leaders, as the thirteen-county trend rejects that assumption.


Thus, it is tempting to assign causation to correlation, naively stating that over-reliance on textiles was the sole and primary cause for the economic struggles; and extending that statement to posit, boldly, that manufacturing dependency on any single industry will inexorably lead to socioeconomic decline at some point. The data is not sufficiently conclusive to make this claim. What the data does support, though, is that this trend can occur, especially when textile dependency is triangulated with lack of a higher education institution and distance from a regional metropolis. All else being equal, in this particular region that is fairly representative, strengthening the manufacturing base of counties through diversification is an indicator of health. All else being equal, therefore, why would other regions not want to copy a successful model?

Critics might respond that this is an extreme or obsolete example. Rarely, they say, does an entire county depend so heavily on a single industry, and rarely does international competition accelerate as quickly as that of textiles and apparel did. And although in one sense they might be right – few counties today have 90% of their jobs in a single industry, as Chester and Union did in 1960 – in another sense, these arguments are short-sighted. What would happen to the South Carolina automobile cluster if BMW up and left? Or, more tangibly, what would become of the rural towns of Nebraska and Iowa if China cut off soybean purchases? The correlation between economic independence and economic development strategies, in other words, is not limited to the Piedmont of South Carolina. Texas, for example, took a similar path in the 1980s, when foreign oil volatility “forced the state to diversify away from the [oil] industry. As a result…Texas has never been better positioned to withstand production cuts.”

The good news is that the window for socioeconomic improvement has not closed for these counties, and that the path towards a greater economic vigor is increasingly visible. Over the past ten years, economic development efforts have accelerated in many of these smaller counties, as they attempt to replicate the foreign direct investment and luring of domestic manufactures that successfully diversified Spartanburg, Greenville and the like in the 1980s. Are Chester, Union, Laurens and the like behind the curve by a decade or two? Possibly. Yet the opportunity is present and bright for those who would seize it.

Disparity or a losing performance in the past must not result in present despondency or resignation. Charting an economic path to prosperity will require creativity, tireless energy, vigorous leadership, and a local ethic of hard work, education, and entrepreneurship. If history tells us anything, it is that this combination can far outstrip the prejudice of nature or the whims of politicians. It is the challenge of towns, then, to meet this standard.
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