**Standard 8-7:** The student will demonstrate an understanding of the impact on South Carolina of significant events of the late twentieth and early twenty-first centuries.

**Enduring Understanding**

Changes that took place in the United States during the late twentieth and early twenty-first centuries revitalized the economy and challenged traditional society and politics in South Carolina. To understand the response of South Carolina to these challenges, the student will...

**8-7.4 Summarize key economic issues in present-day South Carolina, including the decline of the textile industry, the state’s continuing right-to-work status, the changes in agricultural emphasis, the growing globalization and foreign investment, the influx of immigrants and migrants into the Sunbelt, the increased protection of the environment, the expanding number of cultural offerings, and the changes in tax policy.**

**It is essential for students to know**

Changes in the economy of contemporary South Carolina are rooted in economic changes of the post World War II period. During World War II many workers, especially African Americans, left the farms, for factory jobs in towns in South Carolina or in wartime industries across the nation. Consequently, landowners turned to crops that could be harvested by machine such as soybeans. Many returning veterans did not return to the farm. Depopulation led to an even greater reliance on mechanization and fewer acres planted in cotton which was still harvested by hand. By the mid-1950s, tobacco had replaced cotton as the most important crop in the state. Unable to buy the expensive equipment needed to plant and harvest their crops, sharecroppers and tenant farmers left the countryside. Landowners borrowed using their land as collateral to buy equipment. In the postwar period, new farming methods and the use of fertilizers led to increased yields, overproduction and falling prices. Falling prices left small farmers unable to pay their loans so many more left the farm for cities and towns. By the 1970s, more South Carolinians lived in cities than in rural areas. As a result of industrialization and mechanization, South Carolina’s economy changed from one that was based on agriculture to one based on manufacturing and tourism.

The state government of South Carolina made a concerted effort to attract new industry to the state and those efforts continue today. With the encouragement of Governor J. Strom Thurmond, the legislature passed bills that provided for the expansion and modernization of the port facilities at Charleston. By the 1950s, Charleston was one of the leading seaports in the United States. To attract shipping, Charleston developed container facilities. The State Ports Authority oversees the development of the ports of Charleston, Georgetown and Port Royal and has helped to attract foreign companies to the state and promote international trade. The future of the Charleston harbor, however, depends on efforts to deepen the port to allow for larger container ships once the wider Panama Canal opens in 2014. An extensive system of roads and highways built by both the federal government and the state of South Carolina crisscrosses the state and provides transportation for goods to consumers throughout the country. Airports were built in major cities in South Carolina and have contributed to economic development. South Carolina has developed a system of technical colleges that prepare a skilled workforce that also attracts new industries. The State Development Board**,** created in 1954, continues to recruit businesses from other parts of the country and from Europe to the state by touting the incentives of tax breaks, low wages and the state government’s opposition to labor unions

The textile industry particularly benefited from South Carolina’s long standing hostility to labor unions. In the 1920s, Northern investors moved their mills to South Carolina in order to cut costs in the face of foreign competition (8-6.3). In the 1930s, textile workers were unsuccessful in their attempt to improve wages and working conditions through general strikes (8-6.4). Despite New Deal legislation protecting labor unions, the state legislature passed a bill in the late 1940s that established South Carolina as a ‘right to work’ state. Right to work laws supported the interests of management over the workers by outlawing the closed shop. The law allowed employees to work in a factory without joining the recognized and elected union. This undermines the unity and therefore the effectiveness of the union at the bargaining table and contributes to the scarcity of labor unions in South Carolina. South Carolina continues to market itself as a ‘right to work’ state and attracts businesses away from states that recognize the right of workers to join a union to protect their interests. Despite low wages, the textile industry was unable to weather the international competition brought by globalization in the 1990s and afterwards. Just as declining tariffs contributed to depressed conditions in the textile industry in the 1920s, the removal of all tariffs through agreements such as the North American Free Trade Agreement (NAFTA) and the General Agreement on Tariffs and Trade (GATT) meant that textile jobs went overseas where wages were even lower than they were in South Carolina.

Although globalization contributed to the loss of textile jobs in South Carolina, globalization has also meant foreign investment in South Carolina. These investments, in turn, attract workers. Workers were attracted to the Sunbelt when industries in the Rustbelt, suffered from foreign competition and downsized. Hispanic migrant farm workers have taken the place of South Carolinians who left agriculture for better opportunities. Retirees attracted to the Sunbelt by climate and low taxes have spawned businesses to meet their needs, such as the construction of new housing. Improving race relations as a result of the Civil Rights movement and economic growth has brought some African Americans home to South Carolina.

The environmental hazards to beaches, natural areas and wildlife that tourism has brought to the coast has led to an effort to protect the natural resources of South Carolina that make the state a tourist destination. Universities and city boosters have provided an ever expanding array of cultural offerings designed to improve the quality of life and attract businesses to the state.