Index

Abe, Makoto 8
accessibility 202–3
Africa, Chinese merchants 102–11
African countries, resident offices in
Yiwu 99
age of booth-keepers, Zhaoshang City
156–7
AIC (Yiwu Administration for
Industry and Commerce) 55
apparel clusters
Changshu 152–6
geographical distribution 180–81
typology 178–93
Asian countries, resident offices in
Yiwu 98
Association for Preserving Brand-
ame Products 64
barriers to trade, two-sided market
theory 22
Bazar-e Bozorg apparel cluster 7–8,
129
big companies
and apparel clusters 182
and export-oriented clusters 188
and SME creation 12
and specialized-market-based
clusters 183, 186
big-company-dominated clusters
189–92, 193
Bonak-Dar merchants 7–8
booth-keepers
and organizing agents 126
and Zhaoshang Market management
138
Zhaoshang City 156–64
booth rent 45, 202
Yiwu Market 67
Zhaoshang Market 138–43, 145–6
booth use rights
Yiwu Market 60–61
Zhaoshang Market 145–6
Boudreau, Kevin J. 30
branch markets, Yiwu 58
brand-name creation
apparel clusters 182
big-company-dominated clusters
192
specialized-market-based clusters
189
brand-name inquiry system, Yiwu
Market 65–6
branded marketers 190–91
Braudel, Fernand 21
buyers 201–2
creating buyers, Yiwu Market 58–9
foreign, Yiwu market 97–102
Zhejiang 37–40
Changshu
apparel cluster 152–6
qualitative upgrading 171–4
quantitative expansion 159–71
industrial cluster formation 133–4
as origin of Zhaoshang City booth-
keepers 157, 165, 166, 167
Chen, Jianjun 13
China Changshu Zhaoshang City, see
Zhaoshang City
China Yiwu International Commodity
Fair 58–9
Chinese merchants in Africa 102–11
“Chuangjian Xinyong Shifan
Shichang” campaign 65–6
clusters
big-company-dominated clusters
189–92, 193
daily necessities cluster 115–19
export-oriented clusters 187–9,
193
merchant mode clusters 19–20, 152,
174
processing clusters 122–7
specialized-market-based clusters 183–6, 193
see also apparel clusters; industrial clusters; market platform mode clusters
commodities, specialized markets, Zhejiang 34–5
commodity classification, Yiwu Market 62–3
commodity distribution systems, Sub-Saharan Africa 108–11
Commodity Index, Yiwu China 63
community and SME creation 11–12
company size
big-company-dominated clusters 192
specialized-market-based clusters 183, 186, 188
competition
inter-cluster competition 132–49
inter-market competition, Zhejiang 50–51
inter-platform competition 25–6
inter-regional competition 181
and qualitative upgrading 172, 175
and specialized markets emergence 207
construction of specialized markets, Zhejiang 42–3
craftsmen, itinerant 205–6
credibility establishment
Yiwu Market 65–6
Zhaoshang Market 146–7
credit monitoring, Yiwu Market 65
critical mass of market platform 18
daily necessities cluster 115–19
Daixiao (selling products on a consignment basis) 122, 128–9
design and brand creation 171–4, 175–6
specialized-market-based clusters 186
developing countries and specialized markets 208–11
direct sales 127–8
distribution system
China, and specialized markets emergence 204–5
overseas linkages 96–111
Sub-Saharan Africa 108–11
Yiwu Market 71–94
distributors, Changshu apparel cluster 155–6
domestic market, China, and specialized markets emergence 203–5
Dongdaemun Market 8, 129
Dongyang as origin of Zhaoshang City booth-keepers 165, 166, 167–8
educational background, booth-keepers, Zhaoshang City 157
endogenous transactions costs, Yiwu Market 64–6
European countries, resident offices in Yiwu 98
Evans, David S. 30
exogenous transaction costs, Yiwu Market 62–3
export-oriented clusters 187–9, 193
exports to Africa 102–3
externalities and industrial clusters 24–5
Fang, Zhengya 171
fees, specialized markets
Yiwu Market 66–7
Zhaoshang Market 141–3
Zhejiang 45
financing specialized markets 42–3
Zhaoshang Market 143–5
“first the market, later the place” 56, 60
“first the trade” 9
flowchart approach 12
foreign buyers, Yiwu Market 97–102
foreign resident offices, Yiwu 97–101
Four Permissions policy 56
Fu, Yiling 8
Fu, Zhengping 10, 12
Fukunishi, Takahiro 111
functional upgrading 26
Geertz, Clifford 68
global value chains approach 12, 97
Goto, Kenta 7
governance of market platforms 27
government, see local government
Index

Hagiu, Andrei 17–18, 23, 29, 30
Hayami, Yujiro 7, 15
Ho Chi Minh City 7
“Huahang Guishi” 62
Huang, Philip 204
Huangyan as origin of Zhaoshang City
booth-keepers 165–6, 167, 168
Humphrey, John 27
indirect network effects 18, 20, 25
industrial cluster formation
Changshu 133–4
Yiwu 115–19
Zhejiang 45–6
industrial clusters
formation, see industrial cluster formation
Longwan writing instrument cluster
120–22
processing clusters 122–7
and two-sided market theory 24–7
Yiwu daily necessities cluster
115–19
Yiwu Market, producer–distributor relationships 113–30
industrialization of developing countries 209–10
information costs, Yiwu Market 62–3
information gathering, Zhaoshang Market 147–8
inter-cluster competition 132–49
inter-market competition, Zhejiang 50–51
inter-platform competition 25–6
inter-regional competition 181
intermediaries 178–9
internationalization strategy, Yiwu Market 59
Itami, Noriyuki 7
itinerant craftsmen 120–22, 205–6
Iwasaki, Yoko 7
“Jianshe Guoji Shangmao Chengshi” strategy 59
Jingji Ren (organizing agents) 123–6
Karnani, Aneel 208–9
Kikkawa, Takeo 7
Kim, Yanghee 8
Kimura, Koichiro 111
land use system, China 129–30
Landsmann networks 206
Yiwu merchants 93–4
Zhaoshang City 164, 165–8
Zhejiang merchants 108
Li, Ruixue 14
local government
incentives for market development 45, 66–7
and market establishment 40, 47–50, 53–9, 207, 211
and market management 43, 55, 60–66
and platform governance 52–70
and processing cluster formation, Yiwu 126–7
and SMEs 13
and Zhaoshang Market 136–49
local trading companies, export-oriented clusters 187–8
long-distance trade
and cluster formation 115
and potential for specialized markets 210–11
Longwan writing instrument cluster 120–22
low-end markets 175, 204
and SMEs 9–11
Zhaoshang City 172–3
lump-sum-based fees, Yiwu Market 66–7
lump tax, Zhaoshang Market 141
Luo, Xiaojun 67
management, specialized markets 203
Yiwu Market 55
Zhaoshang Market 137–8
Zhejiang 40–45
managing committees 55, 86–7, 203
managing companies 55, 135, 138, 203
manufacturer-wholesalers, Changshu apparel cluster 155
manufacturing sector development, Yiwu 57–8
market accessibility 202–3
market integration, China 205
market intermediation 18–19
market platform mode 175
Yiwu Market 127–9
market platform mode clusters 20, 24–7, 178–9, 186
development 151–76
see also specialized-market-based clusters
market platform restraints 22–3
market platforms 17–20
market stratification approach 14, 37, 88, 201
markets
distant markets 2, 37, 96–111, 202
emerging market 208–9
see also low-end markets
Markusen, Ann 12
Marshall, Alfred 24–5
Marukawa, Tomoo 88
Matsumoto, Hitokazu 112
Matsushima, Shigeru 7
McMillan, John 30
Meiyou Weiqiang de Chengshi (The Unwalled City) 116
membership fees, Yiwu Market 66–7
merchant mode clusters 19–20, 152, 174; see also big-company-dominated clusters; export-oriented clusters
merchant mode intermediary 18
merchants
becoming producers 116–19
Chinese merchants in Africa 102–11
networks 201–2
see also Landsmann networks
and specialized markets emergence 205–7
Wenzhou merchants 108, 212–13
Yiwu merchants 84–6, 93–4
Zhejiang merchants 84, 107–8, 140, 157, 174, 175
mobility
of booth-keepers 140
of traders 23, 84, 93, 140, 166, 206
Nam Daemon Market 42
National Industrial Products Wholesale Markets Association 63, 148, 202
non-local sellers, Zhaoshang Market 139–41, 146
North, Douglass 68
organizing agents (Jingi Ren) 123–6
Otsuka, Keijiro 10, 12, 151–2
overseas linkages of specialized markets 96–111
peddlers 205–6
and Yiwu Market development 54–5, 56–7
per-transaction-based fees, Yiwu Market 66–7
personalized transactions 205
Petty-Clark’s Law 116, 209
phased market approach 14, 37, 88, 201
physicality of market platform 53
and booth rent 67, 141
Pingyang as origin of Zhaoshang City
booth-keepers 165, 166, 167
platform competition 25–6, 132–49
platform governance 27
platform managers 18, 27
restraints on 22–3, 53
processing clusters 122–7
producer-distributor relationships
Longwan writing instrument cluster 120–22
in processing clusters 122–7
Yiwu daily necessities cluster 115–19
producers
as booth-keepers 201
Changshu apparel cluster 152–4
purchasing agents, Yiwu Market 101–2
Qiaotang Bang 54–5
Qinnan Town Multiple Businesses Service Company (QMSC) 135
qualitative upgrading, Changshu apparel cluster 171–4, 175–6
quantitative expansion, Changshu apparel cluster 159–71
real estate costs 22
real estate management
Yiwu Market 60–61
Zhaoshang Market 143–6
regional groups of merchants 205–7
Zhaoshang City 157, 159–68
Ruian as origin of Zhaoshang City
booth-keepers 165, 166, 167
Index

sales agents 128–9
Schmitz, Hubert 27, 97, 177
sellers 201
  Changshu apparel cluster 152–6
  Yiwu Market 57–8
Zhaoshang Market 138–43
Zhejiang 36–7
selling products on a consignment basis 122, 128–9
sewing factories, Changshu apparel cluster 154
“Shichang Dai Baicun, Baicun Lian Wanh” policy 58, 126
“Sige Xuke” (Four Permissions policy) 56
Skinner, G. William 8
small and medium enterprises (SMEs) 6–14
  in export-oriented clusters 188
  in low-end markets 9–11
  in specialized-market-based clusters 183
small processors, Changshu apparel cluster 152–4
SMRD (Specialized Markets and Regional Development) 72
Sonobe, Tetsushi 10, 12, 151–2
South Africa, Zhejiang merchants 107–8
specialized-market-based clusters 183–6, 193
specialized market systems 2, 71–94
specialized markets 1–2
  compared with traditional marketplaces 200–203
and developing countries 208–11
development 45–51, 53–9
  establishment 31–2, 40–42
  future of 211–12
  management 43–5, 55, 60–66, 137–8, 203
reasons for emergence in China 203–8
  and small business dynamics 6–14
Specialized Markets and Regional Development (SMRD) 72
sub-markets
  Yiwu Market 60
  Zhaoshang City 136–7
Sub-Saharan Africa, distribution systems 108–11
supporting industries
  big-company-dominated clusters 192
  Changshu apparel cluster 154, 155–6
  export-oriented clusters 188
  specialized-market-based clusters 186
supporting industries and apparel clusters 182
Suq, Morocco 68
Takeuchi, Johzen 9–10, 15
taxes and fees
  Yiwu Market 66–7
  Zhaoshang Market 141–3
Zhejiang 45
trade fairs
  and apparel clusters 182
  big-company-dominated clusters 192
  export-oriented clusters 188–9
  specialized-market-based clusters 186
  Yiwu 58–9
  Zhejiang Province 37, 40
traders 201–2
  and potential for specialized markets 210
see also buyers; merchants; sellers
trading brokers, export-oriented clusters 188
trading companies 126
traditional marketplace 200–201
transaction costs 22–3
  transaction costs reduction 203
  Yiwu Market 62–6
  Zhaoshang Market 146–8
transactions, Zhejiang markets 34–40
two-sided market theory
  and industrial clusters 24–7
  and physical marketplaces 21–4
two-sided platform 18–19
The Unwalled City (Meiyou Weiqiang de Chengshi) 116
upgrading patterns 26–7
usage fees, Yiwu Market 66–7
Watanabe, Yukio 11
Wenzhou 120
Index

Wenzhou Model 10, 31, 47
wholesale markets 7
wholesale merchants, Changshu
apparel cluster 155
writing instrument cluster, Longwan
120–22
Wucheng District 126–7

Xia, Zuxing 143, 173, 206
Xie, Jian 10
Xu, Yuanming 172
Xu, Zhiming 172

Yang, Xiaokai 62
“Yinshang Zhuangong” policy 57, 115
Yiwu Administration for Industry and
Commerce (AIC) 55
Yiwu China Commodity City 53–5
Yiwu China Commodity Index 63
Yiwu Market 52–68
development 54–9
foreign buyers 97–102
government incentives 66–7
management 60–66
network linkages 71–94
producer–distributor relationships
113–30
transaction cost reduction 62–6
Yiwu merchants 54–5
role in market network development
84–6, 93–4
Yoshida, Eiichi 108
Youngor Group 189–90

Zhang, Yongsheng 62
Zhaoshang City 132–3, 134–7
booth-keepers 156–71
and Changshu apparel cluster 152–6
Zhaoshang Market 135–6
creating sellers 138–43
management system 137–8
real estate management 143–6
transaction cost reduction 146–8
Zhaoshang Market Board of Directors
137
Zhaoshang Market Managing
Company (ZMMC) 135, 138
Zhejiang industrial clusters and Yiwu
Market 73–7
Zhejiang Province
merchants in South Africa’s markets
107–8
as origin of booth-keepers,
Zhaoshang City 157
specialized markets 31–51
Zhejiang Sheng Shichang Zhi (Zhejiang
Provincial Market Chronicle)
32–4
Zheng, Yongjun 13, 14, 16
“Zhiliang Lishi, Xingyu Xingshi”
strategy 65
Zhou Xiaoguang 206–7
Zhuanye Shichang Yu Quyu Fazhan
(Specialized Markets and Regional
Development) 72
ZMMC (Zhaoshang Market Managing
Company) 135, 138