Research on the Development Mode of China’s Textile Industry Cluster

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Abstract: The experiences of industrial clusters around the world indicate that there is no fixed and standard pattern of formation and development of industry cluster. All localities should actively explore an industry cluster mode with its local characteristics to further enhance the competitiveness. There has been wide concern about China's textile industry cluster when it appears. The research of the reasons for the formation and the development mode of textile industry cluster has become an important branch in the field in researching China’s industrial cluster. This paper made a study on this issue and got a conclusion that China's textile industry cluster is spontaneously formed. But we can’t ignore the importance of government because it plays a very important role in the formation process of textile industry cluster.

Keywords: Textile industry, Development mode, Industry cluster

1 Introduction

Du Yuzhou, the chairman of China Textile Industry Association, said that in the basic effect of market allocation of resources, industrial clusters is the inevitable result of the comparative advantages’ accumulation in the textile and apparel industry of social capital, human capital and industrial support system based on industry characteristics, geographic characteristics and network characteristics. Industry cluster has become an important form of organizational structure of the textile industry. Since opening up and reform, the eastern and southeastern coastal areas of China have produced a number of characteristic rural counties with the main features of small and medium-sized private enterprises in the textile industry. According to rough estimates, there are no less than 200 textile industry clusters currently, especially the industrial clusters with the centers in the three economic circles: Yangtze River Delta, Pearl River Delta and Bohai Delta which are most apparent. Such as the Hengshan Town in Wujiang, Jiangsu Province, the Puyuan Town in Tongxiang City, Zhejiang Province, the Gurao Town in Shantou, Guangdong Province, the Dalang Town in Dongguan, the Changyi City and Jimo City in Shandong Province, the Qinghe City in Hebei Province, and some characteristic textile cities (towns). Insiders agreed that with the further acceleration of upgrading of the textile industry, the textile industry base consisting of mainly small cities and towns will continually share the expansion of market demand due to the concentration, obtain the support of related industries and upgrade the image of industry, the attraction of region and the competitive advantages.

2 The Development and Inadequacies of China’s Textile Industry Cluster

From the regional distribution, China’s textile industry cluster mainly concentrated in the eastern and southeastern coastal provinces and cities. Textile industry clusters in central and western regions with a certain size and influence are very few. By the end of 2004, Zhejiang, Shandong, Guangdong, and Jiangsu provinces have a total of 65.49 % on the national textile enterprises, 57.63% of the national textile workers, 66.49% of the national textile industry assets, complete 72.04 % of the total output value of the textile industry, achieve 72.91 % of the national revenue of the textile industry and create a 80.26% of the national textile industry profits. These have fully demonstrated the development trend of China's textile industry to Zhejiang, Jiangsu, Guangdong and Shandong. (Figure 1)
From the changes trend of China's textile industry cluster, in this new century, the overall size of textile industry clusters has increased, but the pace of development around the nation are different. The proportion of Guangdong’s textile industry cluster economy is with overall downward trend. While the proportion of Zhejiang and Shandong shows a rapidly rising trend. And the proportion of Jiangsu’s textile economy grows slow. Specifically, the textile industries’ employment in Zhejiang, Jiangsu and Shandong respectively grew from 13.81%, 17.85% and 11.54% in 2001 to 15.08%, 18.92% and 15.64% in 2004 of the national total employment. However, the textile industry’s employment proportion in Guangdong dropped from the 12.36% in 2001 to 7.99% in 2004. The total assets proportion of the textile industry in Zhejiang, Jiangsu and Shandong grew from 15.21%, 18.88% and 11.28% in 2001 to 23.21%, 20.29% and 14.47% in 2004, yet the same proportion in Guangdong dropped from 11.36% in 2001 to 8.51% in 2004. The proportion of textile industry output value of Zhejiang and Shandong increased from 19.41% and 10.87% in 2001 to 23.32% and 15.76% in 2004, yet the same proportion in Guangdong and Jiangsu declined from 13.45% and 23.68% in 2001 to 9.45% and 23.5% in 2004. The
proportion of sale’s income in Zhejiang and Shandong respectively grew from 20.44% and 10.82% in 2001 to 24.07% and 13.13% in 2004. The same proportion of Guangdong and Jiangsu dropped from 13.05% and 23.89% in 2001 to 11.19% and 23.37% in 2004. The proportion of textile industry profits of Shandong increased from 2001’s 14.90% to 2004’s 18.94%, which is the only profit increasing province. This proportion in Zhejiang, Jiangsu and Guangdong decreased to different extend, from 34.20%, 23.69% and 5.34% in 2001 to 30.48%, 21.85% and 4.02% in 2004. The enterprises in these four provinces increased from 19%, 19%, 9% and 9% in 2001 to 24.18%, 21.38%, 11.16% and 9.09% in 2004. In conclusion, the influence to national is growing. The industrial cluster has become an important force for the takeoff of China's textile economy. In particular, the textile industry cluster in Zhejiang is both prominently increasing in the advantages of scale, and taking in the forefront or even ranking first of the country in region's production facilities, marketing networks, information construction, and scientific and technological input.

In addition, in view of the crucial period of adjustment that China's textile industry clusters is upgrading in technology and internal structure, China Textile Industry Association will promptly give various aspects of the services and guidance, and adopt a series of effective measures to make a positive contribution to the construction and innovation of China's textile industry clusters. Here some progresses in recent years of textile industry cluster pilot project are highlighted. Textile Industry Association in line with the local governments, local industry organizations, and key enterprises established a demonstrating innovation platform in a number of relatively mature clusters on December 2002, including product research and development center, test center, training center, patent services technology promotion center, cooperative business of enterprises and institutions, and intermediary service center. They also identified the first pilot units of textile industry cluster which contains 19 base cities (counties) and 19 characteristic cities (towns) of China's textile industry. On Jan. 9th, 2004 Textile Industry Association announced another creation of 13 base cities (counties) and 17 characteristic cities (towns). Immediately after that, it gave tablets to 21 industrial clusters pilot units of the third group on Dec. 3rd, 2004, and granted Guangdong Xijiao textile industry cluster areas for the first national industrial upgrading demonstration zone, indicating that jointed building industrial upgrading in the public service system of both China Textile Industry Association and local governments started off slowly. This series of measures is of great significance to how to change the mode of growth of China's textile industry, how to cope with the local natural resources, business and social resources based on the industrial cluster characteristics and regional economical situation, how to construct industrial innovation platform service system, and so on. So far, industry cluster experimental work has been made a good start with gratifying results welcomed by vast numbers of cluster enterprises.

Although the Chinese textile industry cluster has taken shape, and has a considerable proportion of the total economy, even some of the textile industry cluster has become the lifeblood of the local economy, the whole cluster is of low degree of specialization, lack of organic industrial chain supporting compared with the international mature industry clusters, and there are so few industrial links with international competitiveness that unable to lead the industry development trend. The obvious characteristics of China's textile industry cluster at this primary stage are as follows: the enterprises in China's textile industry clusters are mainly small and medium-sized private or family enterprises, which are processing in external trade and selling medium and low products in domestic market, the industrial level of which is low and added value is not high. With weak innovation capability, they have fewer high-grade raw materials and international brands and lack of enterprises or products with self-technology and independent intellectual property rights. The technical and capital barriers to market entry are not high; Capital market and the high talent market are not yet developed. Laws and regulations of mergers and bankruptcy are not perfect enough; Establishment of services system such as the companies, universities or research institutions, intermediaries, and finances are not perfect. The sharing of information and the interaction mechanism are not flexible enough; Product quality control is also not stringent enough. The competition is still disordered. In short, China's textile industry cluster is mainly basic elements gathering type or value chain aggregation type. Some regions are forming social network aggregation type, but on the whole it can’t be called the innovation system aggregation type. A few textile industry cluster are more successful in building platform for innovation, industrial clusters
has began to develop in the advanced direction, such as the Xiqiao Industry Cluster in Guangdong. But so far, there have not yet appeared such senior clothing clusters as in Paris, France, or such senior fashion clusters as in Italy. The competitive advantages of China's textile industry clusters are built on the base of low-cost and low price, “large quantity, low quality, small factory” is a common defectiveness of the textile industry clusters around. Professor Porter pointed out that it’s usually instable when a country establishes competitive advantage in primary production elements. Once a new country sets foot on the same development ladder, it is the end of its competitive advantage. Thus, China's textile industry cluster should establish a sense of crisis and focus on the upgrade of industrial technology and industrial structure to lead it into a new road to industrialization, bringing a sustained, rapid, coordinated and healthy development to China's textile industry clusters.

3 The Formation and Development Mode of Textile Industry Cluster

The formation and development mode of China's textile industry cluster can be summarized as the following types:

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<th>Types</th>
<th>Main Characters</th>
<th>Typical Places</th>
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<td>processing and compensation trades</td>
<td>Eastern and southeastern coastal areas of China seized the historic opportunities of the transfer of textile industry production centre, used local advantages in places and low-costs, and positively developed clusters formed by foreign trade processing textile enterprises. That is to say the foreign companies provide raw materials and production technology, taking charge in product sales, while the local enterprises engaging in produce and processing.</td>
<td>clusters around the Pearl River Delta in Guangdong</td>
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<td>spontaneous</td>
<td>In the early stage of reform, some rural entrepreneurs in reforming pilots in coastal areas gradually developed the clusters by their industrious and entrepreneurial spirits and the combination of national policy and local reality during the process of urbanization of China.</td>
<td>shoe-making and clothing industries in Wenzhou, and other rural township clusters in Zhejiang Province</td>
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<td>foreign-inspired</td>
<td>The entry of foreign enterprises has driven such a large number of local enterprises to create a cluster town, especially the use of overseas Chinese and Hong Kong and Taiwan capital for developing the industrial clusters.</td>
<td>Yanbu underwear cluster town in Guangdong, Footwear in Jinjiang</td>
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<td>endogenous</td>
<td>Industrial clusters formed with the link of the local prosperity of commercial activity, a long history and culture, the traditional manual process, in addition to the blood, relatives, and geopolitics.</td>
<td>women clothing in Hangzhou</td>
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<td>large enterprises derivative network</td>
<td>The innovation and development of large enterprises not only produced a number of outstanding industrial technology workers but also produced many ancillary services creating favorable conditions for the growth of small enterprises and finally the medium and small enterprises formed industrial clusters with a developed radiate structure.</td>
<td>ties in Shengzhou</td>
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<td>concentration of raw materials in origin</td>
<td>It is mainly due to the abundant local textile raw materials that attract a large number of textile enterprises to invest and then formed a material cluster.</td>
<td>cashmere city in Bayanna'a, in Mongolia</td>
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<td>non-concentration of raw materials in origin</td>
<td>Although it is not a production base, it can gradually evolve into a certain technology and knowledge intensive industries and clusters relying on technological innovation, professional division of labor and cooperation.</td>
<td>cashmere city in Qinghe in Hebei</td>
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<tr>
<td>metropolis-gathering</td>
<td>The clusters developed by making full use of the economy, culture, services, consumption and transportation in surrounding metropolitan areas.</td>
<td>garment cities in Beijing, Shanghai, Dalian and other places</td>
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In general, the formation and development of China's textile industry cluster is primarily under the international background of a shift of textile industry, under the direction of the macro political guidance of China's opening up and reform, particularly after the building of China's pilots in coastal cities and the port cities as well as the establishment of household contract responsibility system in rural areas. The domestic entrepreneurs and foreign investors keenly seized this opportunity and formed and developed it through their hard working.

4 Conclusion

In short, the actively guiding of China's textile industry cluster is an important issue needing urgent settlement in the cooperative line with funds, technology and R & D, the cooperation and innovation, the enhance of regional brand image and the changing of disadvantage in overall large-scale and smaller size in clusters, making a best gathering of advantages of industry. The government should attach importance to cluster planning that includes both the optimization of existing resources in cluster and the management of existing problems, and also the appropriate amendments of the direction of development to achieve the long-term development of clusters.

References