Special Issue: Industrial Clusters and New Agglomerations in East Asia

Preface

In recent decades the East Asian Region has been attaining a remarkable economic development and performing a role of engine of the world economy. The key feature of this aspect is economic agglomeration as various industrial clusters in this region. In order to inspect the characteristics of industrial clusters and agglomerations in East Asian countries, we organized the joint conference between Nagoya University and Nanjing University in 2009 and the international conference held in Peking University 2008 and there discussed regional economies in Japan, China, Korea and Taiwan from the industrial point of view.

This special issue is a collection of those selected mainly from the papers presented in those conferences and accommodates 10 papers, which are sorted into three groups according to various regions in East Asia. First two papers treat Tokai Region of Japan, the following three papers focus on Korea and Taiwan, and last five papers studied Yangtze River Delta Region and Dalian Region of China. First half papers made an analysis relying on the survey data from questionnaires applied to firms in Japan, Korea and Taiwan. The next four papers investigating the Yangtze River Delta carried on an empirical analysis with the statistical data in that region.

In the following we briefly introduce each chapter.

Chapter 1 “Importance of Regional Financial Institutions in Regional Economic Development: The results of corporate surveys in Japan’s Tokai and Kansai Regions”, by Yamori As shown in the title, this paper focuses regional financial institutions in Tokai and Kansai regions which are two major economic areas in Japan. Based on the results of questionnaires answered by small and medium enterprises and financial institutions in these two regions, the regional characters of finance to local firms are analyzed.

Chapter 2 “Comparative Study on Regional Finance in Japan and Korea: Evidence from Three Questionnaires”, by Yamori, Hirakawa, Choi, Jin, Bu and Park In this paper, the same topic as in Chapter 1 is tackled by adding similar questionnaires in Korea’s Daegu and Gyeongbuk regions to those questionnaires in Japan’s Tokai and Kansai regions. Then this paper results in the similarities of the regional financial system between Japan and Korea. But the paper also points out some differences caused by the difference in the level of economic development.

Chapter 3 “Environmental Uncertainty, Competitive Strategy, Inter-functional Cotepition and Organizational Performance”, in Korea by Seo, Shin, Choi and Tawada Using a survey methodology for the IT manufacturers in Korea, this paper investigates the role of organizational strategies in the causal process between environmental uncertainty and inter-functional competition, the role of inter-functional competition in the causal process between organizational strategies and performances, and the moderating effect of evaluation system by CEO’s for reward.

Chapter 4 “Market Orientation and Technology Innovation in Korean IT SMEs: The Moderating Role of Cross-functional Cooperation and Cooperation with Outside Organization”, by Shin, Seo and Hirakawa This paper studies how Korean IT SMEs deploy their market orientation, cross-functional cooperation and cooperation with outside organization by empirical tests of the hypothesis with the use of the survey data of Korean IT SMEs. The empirical results showed market orientation to be an influential factor for SMEs’ technology innovation.

Chapter 5 “The Formation of Electronics and IT Industry Clusters in Taiwan”, by Su, Lu, Hwang, Liu, Cheng Hirakawa and Tawada Taiwanese government regarded the IT industry as a key strategic industry for economic development and has supported since late 70s. The paper
explores electronics and IT industrial cluster development in Northern Taiwan by the use of questionnaire survey applied to the enterprises of Taiwanese electronics and IT industries. The study finds that the promotion of innovation is associated with enterprises that are young, those whose CEO has studied overseas, those whose shares are held by foreign investors in a high percentage, and so on.

Chapter 6 “Product Quality Preference, Machinery Import and Import-induced Export”, by Liu and Wu This paper constructs a monopolistic competition model to explain the mechanism of import-induced export in a theoretical analysis. This paper proves in the short-run firms producing final goods can improve their product qualities by the use of imported advanced machineries, so that foreign demand in those final goods rises and the export of those goods expand.

Chapter 7 “Minimum Wage on Migrant Workers and its Employment Effect: A Case Study of the Yangtze River Delta Region Before and After the Financial Crisis”, by Li, He and Zhou This paper takes the Yangtze River Delta Region as an example to analyze the employment effect of minimum wage on migrant workers. The empirical study in this paper demonstrates that the minimum wage registration could contribute to the employment of migrant workers in this region. This paper also investigates that the financial crisis disturbed the labor market mechanism and destabilized the positive effect of minimum wage registration in this region.

Chapter 8 “R&D Activities, Indigenous Spillovers and Innovation of High-tech Industry in the Chinese Yangtze River Delta”, by Jiang and Wei Based on endogenous R&D activities in the new growth theory, this paper empirically explores the effects of indigenous technological spillovers on innovation performance of high-tech industry in the Yangtze River Delta Region by sectoral and regional regression models with panel data from 1997 to 2006. The result of the sectoral regression analysis is that agglomeration of industrial specialization induces a weakly negative effect of technological spillover in this region, while that of the regional regression analysis is that Shanghai provides a positive effect of technological spillover to Jiangsu and Zhejiang regions and so on.

Chapter 9 “An Empirical Study on the Contribution of Land to the Economic Growth in the China’s Yangtze River Delta”, by Zhao The aim of this paper is to explore the contribution of land to the economic growth of the Yangtze River Delta Region. The author clusters 16 cities into one core city, five sub-center cities and ten peripheral cities, makes use of the co-integration analysis and Granger causality test and demonstrates that the core city Shanghai exhibits the highest contribution of land to the economic growth of this region and that as for the sub-center cities including Nanjing and Hangzhou, their contribution of land is lower than that of Shanghai but its rate is evidently increasing.

Chapter 10 “The Characteristics of Japan’s Software Industry and Offshore Development in Dalian, China”, by Nozaki In recent years, Japanese software companies faces to deploy the offshore development in order to cut the cost. Their major destination of the offshore development is China by various reasonable reasons. The study of this paper studies the background of the offshore development in Dalian of China, where the offshore development of the Japanese software industry is rapidly advancing in recent years.

All these papers were selected through a strict refereeing process. I acknowledge those people making a great effort to referee a paper and to give constructive comments and suggestions to improve the paper. Finally special thanks must be expressed for partial supports of the Grant-in-Aid for Scientific Research Basic Research (S) (No. 18103002) and (A) (No. 21243023) of Japan Society for the Promotion of Science and the financial aid of Nanjing University, which enabled us to realize the above two international conferences held in Japan and China.

January, 2011

Makoto TAWADA (Nagoya University)
Zhibiao LIU (Nanjing University)
Hitoshi HIRAKAWA (Nagoya University)