Yiwu: the Neo-Liberal City

Austin Williams describes how economic growth has transformed a little known Chinese city

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Yiwu is a provincial city in Zhejiang, east China and an unlikely point of origin for a trading route that reaches out far beyond the narrow confines of the region and country. A bustling backwater that has emerged as a multi-billion-dollar link to the rest of the world, it is the greatest little town that you've possibly never heard of.

This relatively small dot on the map, 200km southwest of Shanghai, is the starting point of the world's longest freight journey. Longer than the trans-Siberian railway, the new 6,200-mile rail route from Yiwu depot takes goods through Kazakhstan, Russia, Belarus, Poland, Germany and France, finally arriving in Madrid in Spain, 21 days later, and a full 10 days quicker than by sea.

At Yiwu railway station, a wilfully unimpressive, grubby concrete shelter, visitors are greeted with signs in several languages boasting that Yiwu is the 'world's largest small commodities producer'. This means that Yiwu has effectively cornered the market in trinkets, the kind of novelty items that make the world go around. Allegedly, 60 per cent of all Christmas crackers are made here, somewhat unprepossessing evidence of its claims to global influence. But Zhejiang Province is rightly famed for its entrepreneurial spirit.

ENTREPRENEURIAL TRADITIONS

Just 100km north of Yiwu is the provincial capital city of Hangzhou (elevated to first-tier city status in 2017), which is home to the world's largest retailer Alibaba, the £175 billion online shopping behemoth. Zhejiang's second city, Ningbo, is one of the biggest trading ports in the world and renowned for its business values and financial culture. Indeed, the province has a long history of merchants, traders and moneymen. In 1912, the first president of the Republic of China noted that its merchants were 'excellent at commerce. No-one can compare to them'. Neighbouring Wenzhou was the first city in China to set up business cooperatives and private enterprises. Zhejiang's people are proud that their entrepreneurs' knowledge managed to survive the Mao era, and that a new generation of traders have grown up free to embark on business as usual.

After Mao died, President Deng Xiaoping cleared the way for isolated experiments in piecemeal urban capitalism in the early 1980s. The city of Yiwu has been a beneficiary of this 'socialism with Chinese characteristics' as a state-sponsored enterprise zone. Local politicians are keen to promote the myth that Yiwu has emerged onto the world's stage as the result of China's contemporary Belt and Road Initiative, but in fact it has been pampered by a Communist Party policy of development through trade since 1984. It has been allowed to express itself as an urban oasis of free-market capitalism and open trading unlike any other city in China.

China's experiment with market-driven urbanisation centred on the 'single commodity industrial district' based on the doctrine of 'one village, one product'. Under this model, village communities were allowed – encouraged - to pool their resources to specialise in one product. It was common to drive through villages across China that made only one thing: a town specialising in baths for example, followed by a town making only toilets, followed by tap towns, vitreous villages, sink estates, etc.

Only ten years ago, Yiwu's neighbouring town of Datang became China's sock city, a market town and small production facility that now allegedly churns out 10 billion pair of socks every year designed for companies like Walmart and Disney. This specialist town, a significant economic performer in its own right, still relies on the agency role of its neighbour in order to take its products to market. Over a short period of time, Datang has been enveloped by Yiwu's voracious appetite for trade, an administrative region sprawling outwards and demanding ever-greater supply chains to feed its growth.

DIVERSIFICATION AND TRADE

Yiwu's original specialism was plastic straws (over 7,500 tonnes of them a year) sucking up huge profits. It's fair to say that manufacturers were producing biodegradable versions long before Britain's environment minister Michael Gove's campaign to rid the world of such evil commodities. It wasn't environmental regulations that made Yiwu diversify, but the global financial crisis of 2008 that pushed Yiwu to become one of the first towns to showcase a mix of commodities. In other words, it wasn't a Party decree but the ripple effect of the global financial crisis that nudged Yiwu to embrace the efficiencies of the market mechanism. By doing so, it stole a march on all other start-up cities. By 2017, its annual GDP had reached $16 billion (equivalent to Iceland).

Inside the city limits, this non-descript town is teeming with opportunities for trade. The city centre is effectively bypassed and marginal to the urban form. Instead six major roads and one vast motorway run south-west to north-east all leading outwards to the commodity market district of Futian International Trade Mart Shopping Area. One report suggests that this is 'a Haussmannized city, promoting the 'natural flow' of goods and people through urban space'. At Futian, a vast region of four square kilometres, has been given over to mega-malls, dividing the region into five distinct districts.

Even though these new trading precincts were built in in 2005, like much Chinese construction, they look 50 years older. Gigantic

1 One of the many small traders in the city.
2 Friday prayers at the Jiangbin Road mosque
3 The variety of international street food stalls and restaurants
4 The decrepit buildings which are the busy new trading precincts.

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decrepit concrete shells are merely warehouses for trade - the basic shelter in which to do business, machines for shopping in. There is no pretence at architectural design, human scale or urban integration. Instead, these are buildings filled with suppliers, each occupying a coffin-sized booth and touting for business.

The official guide says that these malls contain 75,000 booths in which 100,000 suppliers try to flog 400,000 different kinds of product over an area roughly the size of the City of London's square mile. From tiny stalls, local traders sell wholesale to the world. For those who cannot get into the malls, the rest of the city is the next best thing. Trade is everywhere with the ground floor garages of high-rise housing projects converted , illegally, to shops and markets.

In 2017, the first train from Yiwu pulled into Barking depot in east London after a 12,000km 18-day trip. It is reported that it contained socks, household products and bags. On the return journey, Britain sent soft drinks, vitamins, pharmaceuticals, baby products and whisky. What this says about the developmental priorities of each country is for others to decide. As I argue in the forthcoming *Handbook of Research in Transport and Urban Transformation in Contemporary China*, this is not just a flow of goods but the exchange of ideas and social ambition. As a result, such trading relations in and with China have deeply political and modernising resonances.

MULTICULTURALISM CHINESE STYLE

Take, for example, Yiwu's adopted version of western cosmopolitanism which is unusual compared to anywhere else in the country. As Yiwu's local cooperation networks forge global connections, so African and Middle Eastern restaurants have opened to serve the international traders flooding into the city. Indians, Senegalese, Algerians, Egyptians, Afghans, Uyghurs, and the occasional European stroll along Exotic Street. It gives the impression of a harmonious melting pot community in a country that prides itself on being 92 per cent Han Chinese.

Five minutes' walk from the huge mosque on Jiangbin Road is the Christian church and further still, a synagogue. These are a series of urban landmarks that are not commonly referenced in China. Friday prayers at the mosque are attended by over 7,000 people when the road is blocked, metal detectors and armoured vehicles give lie to the idea that this is some kind of multicultural nirvana, but at the same time, Yiwu displays a tolerance of cultural difference and religious expression that is not often seen, even in China's tourist hotspots and large metropolitan areas.

Yiwu, the size of Luxembourg, is a small city by Chinese standards. With about 40,000 foreigners living and working there, the bulk of the population is made up of Chinese migrant workers, many coming to do business and make their fortune. The local government has begun spending some of its profits on greening the city. It goes some way to improve the shoddy appearance of a profit-driven city, but also gives the centre and edges a sense of place beyond the gigantic fortresses of turbo-charged capitalism to the north-east of the city. It has recently completed the man-made Xiuhu Park (enlivened by kite-flyers and granny dancers) in the centre of the city and a five-mile long green riverside walk.

Yiwu's urban planners are keen to adopt Charles Landry's so-called 'asphalt currency' that measures urban improvements in terms of economic benefit, in this way, everything can be translated into the currency of productive space. Of course, this is China and so there is not really an autonomous urban design process but one that is carefully managed and pragmatically permitted by the central authorities. As long as it continues to make money, Yiwu will remain a reasonably harmonious, multicultural, mercantile city embedded in the middle of a single party state. ●

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