

Abstract:

This project takes a closer look at the counterfeit goods market in China. The goal is to identify the answers to the following questions: why is this market growing over time, why do people buy counterfeit goods, what are governments doing about it, and how it affects brands, consumers, and the economy. Through background research of related topics I was able to develop an understanding of the different components of the counterfeit goods market. In addition I used my personal experiences and observations that I gathered visiting the counterfeit goods market in Beijing during a four month long study abroad trip. I combined my observations with my research to draw some rationale as to why things are happening the way they are. I found that as is the case with most complex socio-political issues, the phenomenon of counterfeit goods involves both benefits and losses to the many parties that counterfeiting affects. I found that no matter how I looked at the situation the reasoning behind why counterfeit goods are such a successful market always came back to the Chinese economy and the effect that the elimination of this market would have on it. By eliminating the counterfeit goods market millions of jobs would be lost which would have an astronomical effect on the economy. Even though the Chinese leadership knows that this practice needs to eventually stop, nothing is currently being done because of this fact.