Globalization, Governance, and Development of the Pearl River Delta Region

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Abstract

Globalization in almost all aspects of society entails widespread discourses on the role of the nation-state and non-state institutions, accompanied by a revival of regions at both supra-national and intra-national levels. These discourses lead to an emergence of new thinking about governance in domains ranging from national and local politics to international relationships. However, enthusiasm about governance has stemmed from and mostly concentrated on capitalist market economies. Studies on governance in developing economies such as China are rare. This paper applies the governance concept to research on China, with a view to facilitating a better understanding of the economic restructuring and social changes in China since the late 1970s. The paper first reviews theories of governance, then provides an empirical study with special reference to the Pearl River Delta region in southern China. It further examines the development of the region since 1978 through applying the concept of governance, mainly in relation to the spatial aspect. The paper concludes that in the Pearl River Delta region coordination and
partnership through network relations have been eagerly called for and a shift from government to governance is looming large.

Introduction

The two oil crises and the information technology revolution of the 1970s triggered off a new wave of economic restructuring and spatial competitive advantages on a global scale.

Since the early 1970s, the world economy has been profoundly affected by massive restructuring, including the production of raw materials playing a much smaller role, redundancy being the trend in manufacturing employment, and flows of capital rather than trade in goods and services becoming the driving force of economic development. This restructuring has also deeply affected the geography of employment opportunities and has brought about the emergence of what is now known as “the new international division of labour.”2 Head offices and R&D tend to be in the core areas of developed economies, while lower-level assembly functions are located in developing countries. A growing demand on producer services on a global and regional scale has called for the provision of financial, marketing, and business services from the world’s leading economic hubs. At the same time, the shift of manufacturing employment and foreign direct investment (FDI) has also provided opportunities of development to the newly industrialized countries in Southeast Asia.

In spite of the many debates revolving around the notion of globalization and the changing role of the nation-state, it is generally accepted that the twenty-first century will be a global century.3 Economic globalization has profound impacts upon both the national and the local economy. There has been a revival of the region as an economic unit at both supra-national and intra-national levels. Increasing regional interest is leading to further debates and deliberation, both in the policy-making process within the national context and among nations.4

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