

Flexible Production in the Hong Kong-Pearl River Delta Region: Regionalization of Industry and Transformation of A Local Chinese Economy

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Abstract

The ongoing processes of globalization have had various manifestations in different regions of the world. This study examines the social, economic, and spatial impacts of intensified global competition on the transformation of an integrated economic region in South China. Despite the lack of a high-tech sector, the regionalization of Hong Kong's industry since the 1980s has displayed noticeable characteristics of flexible production including the separation of control and production function, horizontal and vertical disintegration, inter-firm linkages based on proximity and cultural affinity, and selected spatial concentration. The relocation of manufacturing activities from Hong Kong to Guangdong has not displayed a spatial tendency of concentration only in large urban centers. The existence of personal kinship ties, an improved transport infrastructure, abundant supply of cheap labor and land space, and the lack of strict regulations on environmental pollution have combined to make the suburban areas between Hong Kong and Guangzhou a place no less attractive than a congested large city to Hong Kong manufacturers. The inflow of capital and manufacturing facilities has quickened the pace of Chinese rural industrialization and facilitated a distinct urbanization process whereby a great number of surplus rural laborers entered factories in the countryside without having to move into cities. The intrusion of global capitalism has also changed the culture, behavior, and lifestyle of the local Chinese people.