Locating Globalization: 
The Changing Role of the City-state in Post-handover Hong Kong

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Abstract

This paper aims to trace the historical role of the city-state in Hong Kong and how it has extensively reshaped itself in the post-handover period in response to the challenges of globalization. The study of Hong Kong, given its historical specificity, can contribute to the understanding of how the process of globalization takes place. Going beyond the dichotomy of a “strong” version of globalization — the end of nation-state, and a “weak” version of globalization — a state-centred account of globalization, our paper will look at the legacy of the colonial state and its current re-configuration after the 1997 transition. Hong Kong, as a British colony, was never a nation-state, nor, by and large, a city-state either before or after the transfer of sovereignty to mainland China. The rapid change of its urban governance from a philosophy of “positive non-intervention” to “active imagineering” in response to the global economy

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after the handover period has provided us with a good case-study to illustrate the changing role of city-state and to locate globalization in a specific economy.

Introduction

The bold statement “globalization makes states”\textsuperscript{1} demands more careful study of the role of states at different conceptual levels, using empirical cases. While the claim that globalization will create a borderless world of withering states\textsuperscript{2} is under scrutiny and has been criticized, more empirical details are required for theorizing about how the role of the state changes itself in relation to the process of globalization and contributes to the localized and place-based scales of economic activities. This paper aims to trace the historical role of the city-state in Hong Kong and how it has extensively reshaped itself in the post-handover period in response to the challenges of globalization. To locate globalization effectively, one possible way is to critically review changes in the role of the state in a particular time-space dimension. The study of Hong Kong, given its historical specificity, can contribute to the understanding of how the process of globalization takes place and the diversity of glocalizing strategies and patterns. Going beyond the dichotomy of a “strong” version of globalization — the end of nation-state, and a “weak” version of globalization — a state-centred account of glocalization, our paper hopes to tease out the legacy of the colonial state and its current re-configuration after the 1997 transition. Hong Kong, as a British colony, was never a nation-state, nor by and large, a city-state either before or after the transfer of sovereignty to mainland China. The rapid change of its urban governance from a philosophy of “positive non-intervention” to “active imagineering”\textsuperscript{3} in response to the global economy after the handover period has been a good illustration of the changing role of the state and a useful case-study for the location of globalization in a specific economy.

It has been widely noted that the future global economy will be somehow dominated by a number of denationalized world cities in which different scales of economic activities intersect and are mediated in these highly localized places. These cities are denationalized in the sense that they form a hierarchy linked to each other rather than to the territorial jurisdiction once heavily regulated by their respective nation-states.\textsuperscript{4} The scales of economic activities in these cities vary widely. They can serve the global economy by providing financial, insurance, legal, and accounting