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OPPORTUNITIES AND CHALLENGES
FOR THE KNOWLEDGE ECONOMY

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31

Regional Integration, Networked Production, and Technological Competition: The Greater China Economic Circle Through and Beyond 1997

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INTRODUCTION

When economic historians at the dawn of the 21st century look back at the last two decades of the 20th century, they are most likely to focus on two crucial years—1979 and 1997—which bracket the emergence and evolution of the “Greater China” economic circle (hereafter the GCEC) of China (particularly southeastern China), Hong Kong, Macao, and Taiwan into an integrated transborder regional economy with truly global impact and implications. The combined exports of the GCEC as a share of the world’s total almost doubled from 4.8% in 1985 to 8.5% in 1996, ranking third behind the U.S.’s 11.9% and Germany’s 9.9%, and ahead of Japan’s 7.9% (Mainland Affairs Council 1997: 54). The GCEC’s rapid economic and export growth has led to an optimistic projection that the combined gross domestic product of the GCEC might surpass that of the United States in the early part of the 21st century. Even if this extreme scenario does not materialize, the GCEC will still be