

Research on Public Policy Innovation in Regional Economic Cooperation of Guangdong-Hong Kong-Macao Greater Bay Area

Jialiang Chen

University of Pennsylvania, Philadelphia, PA, USA

Abstract

Bay area economy is the senior form of regional economic development. As the region with the highest degree of openness and the strongest economic vitality in China, the Guangdong-Hong Kong-Macao Greater Bay Area is implemented under the principle of "one country, two systems, three customs zones and three legal systems", which is essentially different from the economic cooperation between typical bay areas in the world and major urban agglomerations in China. Therefore, the promotion of institutional and mechanism innovation is the core of public policy innovation in the development of the Guangdong-Hong Kong-Macao Greater Bay Area. In this context, how to innovate public policies to serve the construction of the Bay Area has become the research priority of this paper.

Keywords

Regional Economic Cooperation; Public Policy; Innovation Research.

1. Introduction

In recent years, with the continuous acceleration of globalization and urbanization, regional coordination has become an inevitable choice for numerous adjacent areas to reduce transaction costs, enhance core competitiveness and achieve mutual benefit and win-win result. The Guangdong-Hong Kong-Macao Greater Bay Area is an important demonstration area in the new stage of China's reform and opening up. In this paper, based on the analysis of the development characteristics of the regional economic cooperation in the Guangdong-Hong Kong-Macao Greater Bay Area, the public policy issues in the regional cooperation are deeply studied and relevant suggestions are put forward.

2. Characteristics of Regional Economic Cooperation and Development in Guangdong-Hong Kong-Macao Greater Bay Area

2.1. Economic Coordination

Regional development gap has narrowed, the degree of economic connection is gradually improving, there is a certain industrial isomorphism phenomenon. Guangzhou and Shenzhen have maintained rapid development in recent years, and the economic gap with Hong Kong has gradually narrowed. The variation coefficient of per capita GDP in the Guangdong-Hong Kong-Macao Greater Bay Area declined, its proportion of non-agricultural industrial output value increased, and the overall per capita income ratio of urban and rural residents in cities in the region declined significantly. All these show that urban and rural development is well balanced, the degree of correlation between urban and rural areas is increasing, and the degree of coordination between urban and rural social development is high.

The positioning and division of labor of cities in this region are gradually obvious. Among them, Hong Kong has become a financial and commercial center with global influence due to its relatively mature financial and trade development and high degree of internationalization;

Macau is a free port and offshore financial center; with its highly mature market environment, Shenzhen has gathered a large number of IT and financial enterprises and become a new national economic center city; Guangzhou is an administrative center with strong organizational capacity and regional radiation capacity; in addition, cities such as Dongguan and Zhongshan have become specialized manufacturing centers due to the rapid development of industries in recent years.

2.2. Traffic Coordination

As the leading cities of economic and industrial development in Guangdong-Hong Kong-Macao Greater Bay Area, Guangzhou, Shenzhen, and Hong Kong have strong attraction to other cities, where traffic structure and major infrastructure construction show a matching centripetal, with highly concentrated hub function. By 2021, the total mileage of railway traffic in Guangdong-Hong Kong-Macao Greater Bay Area has exceeded 2200 kilometres, the mileage of high-speed rail has exceeded 1200 kilometres, and the operating mileage of urban rail transit has exceeded 1000 kilometres. It has initially formed the radiation-type external channel pattern and the main skeleton of internal intercity network connecting east and northwest of Guangdong and connecting east, central and south-west of China.

2.3. Planning Coordination

In the early isolation stage, these three places were planned separately, and the other two places were only referred to as their influencing factors. The coordination among the three places in industry, transportation, tourism, and infrastructure was mainly carried out through academic exchanges and consultation. The coordination among the three places in industry, transportation, tourism and infrastructure was mainly carried out through academic exchanges and consultation. With the introduction of the *Planning Outline for the Development of the Guangdong-Hong Kong-Macao Greater Bay Area*, the state has officially proposed put forward the target requirement that all regions in the Greater Bay Area should cooperate closely and develop in an integrated way, so as to jointly build the most dynamic and internationally competitive urban agglomeration in the Asia-Pacific region. All the subsequent plans and implementation plans focused on comprehensive regional cooperation, calling for accelerating the docking of infrastructure among Guangdong, Hong Kong and Macao, deepening cooperation mechanism innovation, and building a world-class city cluster with international competitiveness.

3. Public Policy Issues in Regional Cooperation in the Guangdong-Hong Kong-Macao Greater Bay Area

3.1. The System Difference of the Three Places

It is pointed out in the *Planning Outline* that the development of the Guangdong-Hong Kong-Macao Greater Bay Area is faced with "different social and legal systems" and other challenges. "One country, two systems" is not only the unique advantage of the development of the Guangdong-Hong Kong-Macao Greater Bay Area, but also the system obstacle faced by the construction of the regional collaborative innovation system of the Greater Bay Area. How to transform systematic differences into system superiority is the key to determine the development quality of the Greater Bay Area. Different systems create different ideas of development. Guangdong, Hong Kong and Macao have a long history of cooperation, but inter-governmental cooperation is basically convened in the form of "joint meeting of executive heads" and achieved by "administrative agreement", which lacks a legal cross-border regional coordination body, the administrative agreement does not have legal effect, and the implementation of the agreement depends on the initiative and enthusiasm of both parties, going against the implementation of the agreement.

3.2. Limited Participants

There is still a large gap in development within the Greater Bay Area, among which coordination and inclusiveness need to be strengthened. In addition, some regions and sectors still have homogeneous competition and resource mismatch. Guangdong, Hong Kong and Macao have the same administrative status, but they have a big difference in administrative system, which may cause a series of problems in the process of cooperation between the three places, which will have a negative impact on the smooth progress of cooperation projects. Taking Guangdong-Hong Kong-Macao cooperation project in infrastructure construction, cross-border medical care, welfare and environmental governance, as an example. In order to achieve good construction results, both the support of top-level design and the active participation of local government are needed, but the cooperation in these aspects is relatively loose in actual operation. The limitation of the participants greatly affects the enthusiasm of cooperation among Guangdong, Hong Kong and Macao, and further restricts the effective promotion of cooperation projects and the realization of construction objectives.

3.3. Blocked Factor Flow

At present, a favorable situation of efficient and convenient flow of production factors in Guangdong-Hong Kong-Macao Greater Bay Area has not yet been formed, which greatly restricts the development of the overall innovation capacity of the Greater Bay Area, for the following two reasons: first, there is a lack of institutional and encouraging policies to guarantee the flow of innovative R&D talents from research institutions and universities to enterprises in the Guangdong-Hong Kong-Macao Greater Bay Area, which hinders the exercise of innovation ability of scientific research personnel; second, the Greater Bay Area still has geospatial differences in social public services and working environment. As a result, Hong Kong, Shenzhen, Guangzhou and other leading cities have a strong "siphon effect", attracting a large number of talents, capital, information and other elements to gather, while other relatively backward cities in the region are difficult to gather such innovative elements and resources.

3.4. Collaborative Networks to be Established

It is pointed out in the *Planning Outline* that "Hong Kong's economic growth lacks sustained and stable support, Macao's economic structure is relatively single and development resources are limited, and the market economy system of the nine Pearl River Delta cities needs to be improved." Despite a series of achievements in the construction of innovation platforms such as the Pearl River Delta National Innovation Demonstration Zone and the Guangzhou-Shenzhen-Hong Kong Science and Technology Innovation Corridor, the Guangdong-Hong Kong-Macao Greater Bay Area still faces some problems in the development process, especially the following problems: the regional collaborative innovation network within the Bay Area has not been established, the effective allocation of resources within the Bay Area has not been realized, and the dislocated development, complementary advantages and collaborative innovation system among cities have yet to be established. These factors have greatly restricted the coordinated development among cities in the Guangdong-Hong Kong-Macao Greater Bay Area.

4. Suggestions on Promoting Public Policy Innovation of Economic Cooperation in the Guangdong-Hong Kong-Macao Greater Bay Area

4.1. Building Mutual Recognition and Unified Standards of Business Rules in the Bay Area

In terms of harmonizing market rules in the Bay Area, mutual recognition and harmonization of business rules should be promoted; In terms of enterprise registration, license granting, talent introduction, financing, cross-border transactions, contract implementation and

settlement, it is important to strengthen the connection with Hong Kong and Macao, establish a unified industry supervision system in the Bay Area, and promote cooperation between Guangdong, Hong Kong and Macao in commercial arbitration and social credit. As a highland of institutional innovation, the latest progress of international trade and investment rules. "Prior to carry and try" activities should be carried out on issues related to the new generation of trade and investment rules, such as domestic regulation, competition neutrality and rights protection. On the premise of ensuring the bottom line of safety, institutional innovation experiments on relevant issues should be carried out to achieve cross-border policy coordination in the Bay Area.

4.2. Innovating the Cooperation Mechanism of the Three Places to Promote the Formation of a New Pattern of Coordinated Development in the Bay Area

On the one hand, the promotion of the role of the leading group in the construction of the Guangdong-Hong Kong-Macao Greater Bay Area at the national level should be highlighted; the development plan of the Guangdong-Hong Kong-Macao Greater Bay Area should be coordinated; major problems existing in the cooperation and development of the Guangdong-Hong Kong-Macao Greater Bay Area should be studied and resolved, to provide institutional guarantee for the efficient implementation of the construction and development plan of the Greater Bay Area and enable Hong Kong and Macao to better integrate into the overall development of the country.

On the other hand, the advantages of the consultation mechanism of the Guangdong-Hong Kong-Macao Cooperation Joint Conference and the Guangdong-Macao Cooperation Joint Conference should be brought into full play to meet the needs of the coordinated development of the Guangdong-Hong Kong-Macao Greater Bay Area as a community, and the functions of the two joint conferences should be integrated. For the purpose of the improvement of the coordination mechanism and dialogue framework at the provincial level, the establishment of a Guangdong-Hong Kong-Macao cooperation joint conference can be explored, and major issues such as infrastructure construction, layout of scientific and technological equipment and facilities, innovation cooperation in key industries, and ecological and environmental protection should be jointly studied, so as to achieve planning convergence and ensure spatial coordination and unified arrangement of timing.

4.3. Removing System and Mechanism Policy Barriers, to Facilitate the Flow of Factors in the Bay Area

The integrated market environment is an important foundation for facilitating smooth cross-border flow of factors of production in the Bay Area, realizing the common upgrading of industries in the three regions, and cultivating new advantages of international competition and cooperation in the Bay Area, which is also a significant breakthrough to promote the innovation of system and mechanism and realizing the coordinated development of the Bay Area. Therefore, it is very important to speed up the research on eliminating the institutional and mechanism obstacles of market integration and boost the smooth flow of talents, materials, capital, information, and other elements in the Bay Area. In terms of the flow of talents, the improvement of the livelihood of the Bay Area and the construction of public service sharing system is the key, and the obstacles in housing, employment, innovation, entrepreneurship and other aspects should be removed; in terms of material flow, the Bay Area should perfect the institutionalized cooperation between port law enforcement agencies of the two places, and propel the cooperation in inspection and quarantine, certification and accreditation, standard measurement and other aspects; in terms of capital circulation, Guangdong should deepen the construction of cross-border financial infrastructure and regulatory system, and promote the establishment of a free trade account management system compatible with the development of the free trade zone.

5. Conclusion

To sum up, the point of this paper is as follows: the key to the construction of the Guangdong-Hong Kong-Macao Greater Bay Area is the establishment of a trans-institutional regional collaborative innovation system, in which the leading role of the central government should be fully played. Under the guidance of the Planning Outline, resources within the Bay Area should be coordinated and institutional barriers should be broken down, so as to avoid individual competition, realize free flow of innovation elements within the Bay Area, and truly realize coordinated development and regional innovation of the Guangdong-Hong Kong-Macao Greater Bay Area.

References

- [1] Lianxin Ling,Guoliang Yang.Study on the Measurement and Targeting Path for the Economic High-quality Development in the Guangdong-Hong Kong-Marco Greater Bay Area[J]. Statistics & Information Forum, 2021, 36(6):120-128.
- [2] Dingyi You, Li Chelan Linda. The Condition and Strategy of Innovation Policy of Hong Kong and Shenzhen in the Greater Bay Area: A Perspective from Innovation Ecosystem[J].Journal of Huazhong Normal University (Humanities and Social Sciences),2020, 59(4):43-52.
- [3] Longpeng Zhang ,Junjie Liu.Comparative Study on the Policy of Strategic Emerging Industries in Guangdong-Hong Kong-Macau Greater Bay Area[J].Science and Technology Management Research, 2020, 40(22):39-47.
- [4] Chunping Lu ,Chenzhi Li.Research on National Education in the Greater Bay Area in the Perspective of Communitarianism[J].Journal of Shanxi University (Philosophy and Social Science Edition),2020, 43 (4):126-131.
- [5] Renyong Chi ,Yaya Liao ,Weiwei Zheng, A New Model of Economic Development in the Greater Bay Area: The Integration and Evolution of Industrial and Innovation Ecology[J].Studies in Dialectics of Nature. 2021, 37(6):45-51.