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Study on Issues Concerning Regional Intergovernmental Cooperative Governance in Guangxi Beibu Gulf Economic Zone

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Abstract Guangxi Beibu Gulf Economic Zone has taken the initiative to explore how to promote public administration of interregional local governments and achieved some success in recent years. However, there are still many problems as follows: the cooperation never goes deep; the cooperative governance is devoid of necessary system guarantee and information exchange and share platform. We analyse the status quo of cooperation in regional intergovernmental public administration as follows: it integrates the hierarchy power of government; it sponsors the forum for strengthening public administration and deepening cooperation in Beibu Gulf Economic Zone; it accelerates regional transportation system building; it sets up public administration institution; it quickens the pace of innovation of management and system in Beibu Gulf Economic Zone. Finally we put forward the path to construction of regional government cooperative governance so as to promote sustainable regional development as follows: construct the composite regional administrative cooperative governance model; construct the regional administrative network organization governance model; construct regional administrative special-project-based intergovernmental cooperative governance model; construct long-term flexible regional administrative cooperative mechanism.

Key words Regional government, Government governance, Guangxi Beibu Gulf Economic Zone, China

Under the new situation of economic globalization and regional integration, the scope and scale of cooperation between local governments is constantly expanding, and at the same time, it poses a serious challenge to the regional main body of public administration which takes regional government as core. How to respond to the demands of reality, and deal with serious challenges, is a major practical issue, but also an important theoretical problem. Based on some problems in the process of promoting public administration of interregional local government in recent years in Guangxi Beibu Gulf Economic Zone, for example, the cooperation never goes deep, and the cooperative governance is devoid of necessary system guarantee and information exchange and share platform, we analyse the experience of cooperative governance in the same type of regions at home and abroad, and then we put forward the path to construction of regional government cooperative governance so as to provide support for promoting sustainable regional development as follows: construct the composite regional administrative cooperative governance model; construct the regional administrative network organization governance model; construct regional administrative special-project-based intergovernmental cooperative governance model; construct long-term flexible regional administrative cooperative mechanism.

1 Development and governance of regional integration

Making a comprehensive survey of theories of the regional

development abroad, there are two kinds of representative typical theoretical results: the first is the theory of cumulative causation, the theory of radicalism and neo-classical theory; the second is the theory of spontaneous public administration of market, and the theory of government intervention in public administration defined from the perspective of regional economics. Under different theoretical frameworks, there are different ideas and measures for the development of public administration in different regions.

1.1 Research on development and governance of regional integration

1.1.1 The transaction cost theory and the level of government governance. The local intergovernmental transaction within the region is widespread, and transaction cost is an important variable affecting intergovernmental relationship. The higher the transaction costs, the lower the governance level of intergovernmental relationship, that is, exorbitant transaction costs lead to intergovernmental predicament of collective action; on the contrary, it indicates that the governance level of relationship between the governments is higher. If the attributes of transaction are different, the corresponding structure of governance, namely organizational cost and power, is different, therefore it forms different kinds of match between transaction and governance structure^[1].

1.1.2 Externality of the supply of public goods and the governance level of intergovernmental relationship. As for transregional public goods, there are immeasurability and indivisibility in supply, non-exclusiveness in consumption, and opportunistic tendency in main body of behaviour, so that trying to solve the problem of supply of transregional public goods through the way

of marketization is clearly not feasible. The "externality" problem of regional public goods is another important variable controlling intergovernmental relationship. The role of regional public administration is to resolve the "externality" problem of regional public goods through reasonable institutional arrangement, so as to achieve efficient governance of intergovernmental relationship.

1.1.3 The interventionism and government coordination theory. Moore Darfur, the presenter of the theory of cumulative causation, holds that in the real economic life, although the law of diminishing marginal returns will promote some capital to flow from developed regions into less developed regions, forming "spread effect." But it is conditional, and it needs to lead the objective of the regional public policy toward the growth center, and improve infrastructure, transport, communications and education. Government coordination theory is a theoretical doctrine that on the basis of market public administration, the government still must intervene, which stresses that pure spontaneous forces of the market can not reduce the gap between regions, still needing effective intervention by the government to achieve balanced regional development.

1.2 Typical regional organization pattern The typical regional organizations are as follows. First, the United Kingdom. Britain is the world's first country implementing regional public policies. The Ministry of Industry and Ministry of Environment take charge of it. The Ministry of Industry is responsible for regional industrial development, and the Ministry of Environment is responsible for natural resources and environment, having the necessary power for the implementation of regional public policy. Second, France. In the National Planning Commission of the Central Government of France, it sets up DATAR, and there is one regional economic commission in all regions, which is responsible for working out planning of regional economic development, and provides technical support for public administration in large areas. Third, Italy. In the 1950s, in order to accelerate the development of the southern regions, Italy established Southern Development Bank, which committed itself to addressing the southern backwardness. Fourth, the United States. To address problems of public administration concerning regional development, the United States has tried some organization modes, such as special area of regional public administration, and organization bureau of regional public administration, gradually forming relatively balanced situation of economic development in major regions. Fifth, the European Union. In terms of regional public policy, the European Union establishes spatial development committee, the cooperation network of spatial research institution and other support organizations. The organization structure of the European Union is to establish committee under the European Union, and establish departments of specific affairs under committee. Sixth, China. In order to promote the development of regional public administration in China, it sets up the Western Development Office, Rejuvenating Northeast Office, and Promoting Rise of Central China Office, to plan out the major infrastructure construction, policy and industrial arrangement in all public administration

regions.

Through the analysis of intergovernmental cooperative experience, we get the following two points. First, the legislation is first, and specialized institutions are established. It clearly divides duties and responsibilities, property rights and human rights in governments at all levels. And it ensures that the institutions assume role, take responsibility and have power, so that the property rights matches duties and responsibilities, and the enthusiasm of government at all levels is fully mobilized. Second, it adjusts measures in line with local conditions and appropriate time, to work out the organizational structure. In the different stages of development, the regions have different missions of development, and require the organizational modes of public administration to match themselves, and accelerate the development of the region. Different regions need to adopt different organizational modes of public administration to deal with problems.

2 Analysis of the status quo of cooperation in regional intergovernmental public administration

2.1 Active exploration of cooperation in regional intergovernmental public administration Guangxi Beibu Gulf Economic Zone is the economic zone composed chiefly of administrative regions under the jurisdiction of Nanning City, Beihai City, Qinzhou City, Fangchenggang City in Guangxi Zhuang Autonomous Region. It is located in the south of China's coastal areas facing Southeast Asia, with its back against Southwest China, which is along the river, the sea and the border, benefiting from both eastern and western development and having rare strategic geographical advantage. In recent years, in terms of promotion of public administration of interregional local governments, Guangxi Beibu Gulf Economic Zone has carried out active exploration, and achieved some results.

2.1.1 It integrates the hierarchy power of government. For example, it sets up Planning and Construction Management Committee of Guangxi Beibu Gulf Economic Zone, to coordinate utilization of land resources, transportation facilities, major projects, the distribution of major industries and ecological environmental protection in Beibu Gulf Economic Zone; promote joint construction and sharing of major infrastructure; propel urban agglomeration and economic integration.

2.1.2 It sponsors the forum for strengthening public administration and deepening cooperation in Beibu Gulf Economic Zone. It establishes the expert group with the experts and scholars as main body, to provide advice for decision-making of regional government, and assume the role of advisory body of government decision-making. Furthermore, it establishes interregional trade alliance, to bring into full play the role of industrial organizations in regional cooperation, such as Beibu Gulf Urban Forum and Beibu Gulf Economic Forum.

2.1.3 It accelerates regional transportation system building. Guangxi establishes the goal of "one hub, two ports, three passages, and four radiative passages": it accelerates the

construction of Nanning international comprehensive transport hub; creates one large port along the coast accommodating hundred million tons; enhances Nanning Airport, opens Pan-beibu Gulf sea passage, Nanning-Singapore land passage, and the air passage from Nanning to the ASEAN countries; constructs the radiative passages to Guangdong, Hunan, Guizhou, and Yunnan.

2.1.4 It sets up public administration institution. By consultation on the basis of equality between governments, between non-governmental organizations in all regions, it sets up various kinds of intergovernmental and non-governmental public administration institutions, for example, it sets up Beibu Gulf Rim Economic Cooperation, in order to strengthen economic exchanges and cooperation within and without Beibu Gulf Region, accelerate the formation and development of Beibu Gulf Economic Zone, speed up the pace of regional economy integrating into global economy, and promote strong growth of regional economy.

2.1.5 It quickens the pace of innovation of management and system in Beibu Gulf Economic Zone. It explores and establishes intergovernmental cooperation, cooperation in key areas, inter-firm cooperation and other cooperation mechanisms, and actively builds financial platform for the development of economic zone. In addition, it should also speed up talents fostering and provide intellectual support.

These cooperation platforms enhance cooperation between local governments, and strengthen the overall regional development consciousness of all local governments within the region, which to a certain extent adapt to requirements of economic development in Beibu Gulf Region, and promote regional economic development, thus the driving role of Beibu Gulf Economic Zone is prominent. For example, from January to August in 2011, the industrial added value of Nanning City, Fangchenggang, Qinzhou, Beihai in Beibu Gulf Economic Zone increased by 38.8%, 18.3 percentage points higher than the level of whole region, 0.9 percentage point higher than that in the first half of year, with the rate of contribution to industry in whole region of 44.1%.

2.2 Problems existing in the cooperative process of regional intergovernmental public administration Guangxi Beibu Gulf Economic Zone is the only coastal area in West China. Although it has superior geographic location, rich resources, and the traditional industrial base, the development of Beibu Gulf Economic Zone is far behind that of other China's coastal regions, becoming the "low-lying land" of coastal economy. The main reason is that the intergovernmental consensus reached is guaranteed dependent on the promises made by the leaders, for want of legal effect, which makes such consensus lack stability, and once the local leaders are transferred, it is easy to make the cooperation mechanism void^[2].

2.2.1 It lacks policies of law and regulation. Insufficient integration of the policy environment causes the relationship governance between regional governments to lack system guarantee, in a low-efficiency state. As all regions are relatively

independent interest subject, thus in cooperation, some problems inevitably arise, such as different working progress, industry competition, asymmetric information, and maximization of self-interests, and it is easy to fall into "prisoner's dilemma" often referred to in game theory, that is, the best strategic option for each party may be the worst choice for the whole, seriously impeding smooth progress of regional cooperation. In essence, the local protectionism has seriously damaged the quality of the national economy within the region, distorted the coordinated development of regional economy, and thwarted the development of regional administration.

2.2.2 It lacks information exchange and share platform. There is a small number of cross-regional civil organizations, the consulting services of intermediary institutions has not been effectively integrated, and in terms of the public information services, in-depth exchanges and cooperation have not been carried out. Both the comprehensive public information services and special public information services can seldom achieve sharing, thereby constraining the breadth and depth of cooperation between local governments. The conflict between individual rationality and collective rationality can not be effectively resolved, and the "collective action dilemma" arises, thereby leading to high transaction costs between local governments, serious phenomenon of isomorphic industry structure in all regions, inefficient use of resources, and other problems, which abates the growth rate of regional economic development.

3 The path to construction of regional government cooperative governance

At present, the dominant governance mechanism in Guangxi Beibu Gulf Economic Zone is basically the joint administrative promotion with the government as the main body. The manifestation of this cooperation is a naturally region-neighbouring "natural economic zone", an interregional system-integrated "artificial economic zone", and a economy-integrated "economic development area", which is basically characterized by "government building stage, business making performance". In order to achieve the goal of real economic integration, it needs to formulate necessary interregional policies with uniform pace, work out important implementation measures and programs to achieve economic integration and establish sound mechanism^[3]. However, the adjustment of administrative zoning and self-ordination of local government cannot solve the problem of conflict between regional economic integration and administrative zoning fundamentally. To really solve this problem, it must conduct institutional innovation of regional public administration, that is, build the interactive cooperation mechanism of multiplex governance main body, and break the rigid control of administrative zoning on the regional economy. In the era of knowledge economy supported by the information technology, the countries and regions have closer relationship, and the trend of regional integration is more and more prominent. The traditional linear organizational model is more and more difficult to adapt to rapidly changing social requirements, thus the reform and innovation of organizational structure is imperative

under the situation. Flat, complex, and network-based organizational structure mode will become the inevitable choice for the reform of organizational structure of modern information society.

3.1 Construct the composite regional administrative cooperative governance model The so-called "complex governance" means that based on good governance of small government and liberalization of large market, the government's public service and other functions are transferred to the civil society organizations in the form of subcontracting, bidding and so on, and the government failure and market failure are made up for through good functioning of civil society, so as to achieve harmonious development of the government, civil society, and the market. The core idea of "complex governance" is reflected in good governance of small government, liberalization of the big market, the good functioning of civil society, and harmonious relations of government, market, civil society, emphasizing the coupling of small government, big market and good functioning, as well as a kind of market governance structure building owing to many centers, equal governance and harmonious relationship. This concept takes multi-center, overlapping, nesting and self-governance as the core idea, takes self-governance as principle, and takes providing the public services crossing administrative areas as major responsibility, to achieve the goal of the cooperation mechanism that different governments crossing administrative areas and administrative levels, and non-governmental organizations participate in.

In the process of regional development of Beibu Gulf Economic Zone, the government should strive to construct the cooperation pattern of multiplex cooperation subject and multi-center governance. For the option of cooperative organizational form of regional government, dependence on the power mechanism and other important issues, it should convert ideas, innovate upon thinking, and form the multi-center governance model that the multiplex subjects jointly participate in comprising local government, business, non-governmental organizations, and citizens.

In terms of option of the government cooperative organizational form, it can choose the form of project cooperation, the operating form of market mechanism, or the cooperative form of non-governmental organizations. In terms of the government cooperation modes and means, it can choose the way and means of administrative intervention, the way and means of complete marketization, or the way and means of combination of administration and market. In terms of dependence on power mechanism of the government cooperation system, it can rely on the government propulsion, the market propulsion, and the combination of the government propulsion and the market propulsion.

In the process of governance, the government should undoubtedly assume a leading role, therefore, it is very important to put right the government's position. It should straighten out the relationship between government and market, between government and society, between the government public administration function and the government investor fulfilling function, and use more economic and legal means to manage economy,

market, and ensure the fairness and effectiveness of market supervision. It should create open, fair, just and favorable environment for development, improve the administrative decision-making mechanism combining public participation, expert evaluation and government decision-making, and effectively carry out legitimate decision-making, scientific decision-making, and democratic decision-making, so that the opening-up and development of Beibu Gulf Economic Zone grow scientifically, healthily, orderly, steadily and rapidly.

3.2 Construct the regional administrative network organization governance model The operation of traditional hierarchical organization is based on function. We complete one thing in accordance with the path stipulated by the organizational level, and each department can only pay attention to the functional objectives, rather than the final result. The core idea of the network-based organization is based on the thing, and as long as it is beneficial to completion of the thing, it can go beyond the organizational level. Therefore, the well-functioning network-based organizations will have greater organizational efficiency than that of matrix organization and flat organization. Of course, in order to give full play to system advantages of network-based organization, it is necessary to form one effective governance mechanism that can adapt to the network-based organization, to ensure that the network-based organization can not only use the resources and opportunities in network, but also control the risks in partnership in network.

The regional development of Beibu Gulf needs to be coordinated in many aspects, and a variety of functions and resources need to be further integrated, in need of one powerful organizational structure with the characteristics of quick decision-making and implementation. However, as time goes on, the regional cooperation constantly evolves deep; the regional integration is ceaselessly strengthened; the attention focus of regional development changes; the members in regional organizations are also increasing; many non-governmental organizations are introduced. Thus there a natural need to adjust the organizational structure correspondingly, developing from the traditional linear system and the function system, to future complex administration, complex governance and network-based organizational structure form.

3.3 Construct regional administrative special-project-based intergovernmental cooperative governance model

The special-project-based intergovernmental cooperation has become an important way of economic cooperation in many regions at home and abroad, for example, the governments in two provinces and one city in the Yangtze River Delta, adopt this kind of form of cooperation in regional public administration. The special-project-based intergovernmental cooperation is mainly based on some issues, contradictions or needs concerning cross-regional projects that are difficult for the local government alone to solve, such as cross-regional roads, bridges, and water conservancy construction. It needs the construction of some cooperative projects to achieve regional cooperation. The characteristics of special-project-based intergovernmental cooperation lie in its flexibility, strong pertinence,

convenience and timeliness. It often starts due to the emergence of one public problem, and also stops after this problem is solved. There is no need to establish specialized regional institutions and personnel. It is a kind of relatively simple but effective realization form of regional public administration.

In terms of regional cooperation in Beibu Gulf Economic Zone, it can learn from the project cooperation model in the Yangtze River Delta, adopt the form of special-project-based cooperation to achieve regional public administration, and conduct the special cooperation in many projects, such as transport integration, the cooperation in infrastructure, and especially the transport, protection and development of fishery resources, environmental protection^[4], the port system, free trade port construction, the joint development of marine resources, and coastal tourism. Through the special-project-based intergovernmental cooperation, it should promote the merchandise trade, material flow, investment and construction, and structural adjustment within the region; propel the industrial restructuring within the region; optimize allocation of production factors and resources between the parties in Beibu Gulf Economic Zone; accelerate economic development and industrial modernization for all the parties; promote integration between industry and economy within the industry. In addition, through the special-project-based intergovernmental cooperation, it should develop regional industries of high technology, education and culture, further enhance the industrial level of economic and technological development zones, free trade zones, export processing zones, and science and technology parks, and enhance the polarization and aggregation effect of Nanning and other urban economic centers.

3.4 Construct long-term flexible regional administrative cooperative mechanism In order to truly establish the cooperation mechanism of regional government initiated by local government, the relevant reform and system guarantee are indispensable. In face of various constraints in cooperation, growing contradictions and conflicts in regional development, it is required to conduct innovation at the political level and system level. At the political level, it should establish the open and cooperative local government with outlook of global interests, break down the local separatist state, and achieve the free flow of human resources, capital, land, goods and other elements. It should also deepen fiscal and tax reform, establish horizontal transfer payment system, and achieve interregional interests compensation, which is a core part related to whether the cooperative governance can be smoothly carried out between the local governments. Through horizontally transferring and changing interregional pattern of the vested interests, it can achieve equilibrium in the level of interregional public service or promote the interregional equity^[5].

Whether the rules of regional cooperation play the role effectively depends on whether it can achieve balance in interests of all parties. In order to achieve win-win situation, it needs to have one appropriate "regional benefit-sharing and compensation mechanism", strengthen cooperation and achieve win-win

situation. At the system level, it should first define the local authority reasonably in the form of law, to protect local interests. It should make specific provisions on the rights and obligations of local governments, so as to make them have stable psychological expectation, look into the future in economic development, effectively conduct intergovernmental cooperation, and fulfill their respective responsibilities. Then it must establish intergovernmental supervision and restraint system, to maintain the smooth intergovernmental cooperation.

Beibu Gulf Economic Zone should enhance institutional arrangement and innovation in the level of collaborative decision-making, the level of communication and dialogue, the level of interest coordination, the level of policy implementation, the level of supervision and protection and other aspects. It should build flexible and long-term regional administrative cooperation mechanism, rely on the consensus reached concerning holistic regional interests between local governments within the region, use organizational and institutional resources to promote regional economic integration, and achieve harmony and cooperation between the regional governments, forming the overall regional advantage.

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