

# Research on Management System of Qujing Economic and Technological Development Zone in Yunnan Province of China

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**Abstract**—The Qujing Economic and Technological Development Zone in Yunnan Province has gone through four stages of development: it was created in early 1992, directly managed by the county government; in 1997, it was directly administered by the prefecture-level government; in 2004, the “combination of administrative district and development zone” and the development zone were transformed into an urban area; in 2008, the development zone turned to economic development and corporate services. The development zone has achieved great achievements in economic and social development, but the management system is still outstanding. The management system reform of Qujing Development Zone is based on the central, provincial and municipal targets. The central and local government should adjust the law, and the management committee should play an important role in demonstrating the effect, let the market play a decisive role in the process of resource allocation, introduce NPM and governance concepts, and establish mechanism of innovation and entrepreneurship; social governance innovation should also be highlighted so that social organizations can operate efficiently.

**Keywords**—economic and technological development zone; management system; reform; Qujing City; Yunnan Province

## I. INTRODUCTION

China's first development zone was established in 1984. It is a special administrative area which was established in response to reform and opening up. Now it has blossomed everywhere and has become a reform and opening up pilot zone and an opening window. The Economic and Technological Development Zones of Qujing, Yunnan Province, is one of them. After years of development, it has become the main gathering area of various industrial projects in Qujing City, the main battlefield for the construction of new urban areas, the regional economic growth locomotive, and the national development guide. In spite of this, the Development Zone confronted with a variety of complex issues, especially with historical long-term characteristics. This paper intends to sort out the managing problems of Qujing Development Zone from the long-term development of history, studying the problems through historical analysis method and comparative analysis method, analyzing the new public management theory and social governance theory,

proposing policy recommendations, and promoting Qujing's development.

## II. HISTORY OF THE DEVELOPMENT ZONE

### A. Qujing Economic and Technological Development Zone

In August 1992, the Yunnan Provincial Government approved the establishment of the Qujing Economic and Technological Development Zone. As one of the first provincial-level development zones in Yunnan Province, it is in the west of Qujing City. The legal relationship of the Management Committee is the dispatched institution of the Qujing Municipal Government, and the institutional administrative rank are at the level of the county. In 2006, it was cleared by the National Development and Reform Commission, the Ministry of Housing and Urban-Rural Development, and the Ministry of Land and Resources. In May 2009, the development zone was preparing for upgrading to a national-level development zone. On June 26, 2010, the State Council issued a reply to the Qujing Economic Development Zone as a national economic and technological development zone. Qujing Economic and Technological Development Zone officially had been successfully upgraded to a national development zone.

Since 2008, after the implementation of the provincial-level municipal district management system, the actual development scope is 43.42 km<sup>2</sup> for Xicheng Industrial Base and Nanhaizi Industrial Base. The planned area of Xicheng Industrial Base is 21.26 km<sup>2</sup> (including 12.97 km<sup>2</sup> in the western area and 8.19 km<sup>2</sup> in the MaHuang area). Nanhaizi Industrial Base is located at the junction of Malong County in Qilin District in the south of the development zone, with a planned area of 31.45 km<sup>2</sup> (including 23.78 km<sup>2</sup> in Malone County and 7.37 km<sup>2</sup> in Qilin District). The scope of economic management and fiscal tax collection is about 157 km<sup>2</sup>, including the entire administrative division of Xicheng Sub-district Office, about 106 km<sup>2</sup>; about 18 km<sup>2</sup> east of LiaoKuo Road to Dahua Bridge; the planned area of Nanhaizi Industrial Base is 33 km<sup>2</sup>.

## B. Historical Evolution of the Management System of Qujing Economic and Technological Development Zone

### 1) Functions and institutions in the early days of 1992:

The Yunnan Provincial People's Government clarifies the work function of the Management Committee: "The Development Zone Management Committee shall become the organization under the local leadership to exercise part of the administrative powers and administrative power of the local government in the development zone, and implement the work of the local government on behalf of the local government. The provincial people's government grants the management committee the power to exert economic management at the prefecture-level in the development zone." The Management Committee consists of five institutions: the Office, the Project Land Management Office, the Finance and Taxation Industry and Commerce Bureau, the Development Corporation, and the Tourism Development Company, which are responsible for the development and construction within the development zone. In the initial stage, major issues still need to be jointly or separately determined by the Qujing District Committee, the Administrative Office and the county-level Qujing City. The Management Committee is only responsible for coordinating the implementation of the parties; although the Management Committee is working on specific matters such as location and development methods. However, the development of the development zone has still not made any substantial progress; the development zone management committee has no direct jurisdiction over this place, involving land acquisition, demolition, and other tasks, and it must also be handled by the Qujing municipal government or even the Qujing prefecture-level government, and the administrative efficiency is very low; the Qujing prefecture-level government is negligent in supervising the implementation of various units, and it is very difficult to construct and coordinate.

2) *Adjustment of institutional mechanisms after the establishment of the city in 1997:* In October 1997, due to the withdrawal of Qujing county-level City, the development zone was relegated to Qujing prefecture-level city. The internal organization made some adjustments. There were six functional departments and two development centers for office, project land planning management, such as the finance Bureau, Industry and Commerce Branch, Local Taxation Branch, Tourism Development Center, and Real Estate Development Center. The revocation of prefecture-level agencies is equivalent to reducing the administrative level of the former county-level Qujing municipal government, reducing the managerial hierarchy, broadening the scope of management, implementing more effective policies, and disseminating information on time. As the development zone becomes directly under the Qujing prefecture-level municipal government, the functions of the original county-level Qujing municipal government are transferred to the development zone management committee,

which makes the functions of all aspects of the development zone begin to expand, with more management functions and its departments also increased. At that time, the relationship between the Qujing Municipal Government and the Development Zone Management Committee was not rationalized, and the relationship between the Management Committee and the surrounding Qilin District Government was relatively vague.

3) *In 2004, the adjustment of the system and mechanism after the "combination of the administrative district and the development zone" was implemented:* In July 2004, the new system of "combination of political districts" was officially implemented. Xishan Township of Qilin District was placed under the control of the Management Committee of the Development Zone. The Management Committee of the Development Zone was responsible for all matters of Xishan Township. The administrative division of Xishan Township remained unchanged. To adapt to the needs of development and construction, the Xishan Township Government was changed to a street office. It is clear that the internal organization and name of the management committee of the development zone shall be independently established in accordance with the principle of "small government, large service, streamlined and efficient". All 11 directly affiliated departments and two directly affiliated enterprises were established. Despite the merger with the administrative district, the advantages of the development zone management committee at that time were not available in the traditional administrative system. If there are fewer internal institutions, coordination work will be reduced and work efficiency will be improving. With fewer institutions, fewer levels, fewer personnel, and more functions, the implementation of various administrative actions will be effectively guaranteed. There is no need to follow the prefecture-level government and a team of people will work together to achieve goals. The tasks are self-contained and interdependent.

4) *From 2008 to the Present:* In January 2008, the Qujing Municipal Government empowered the development zone with the provincial-level managerial function. The Qujing Municipal Government governs the general preparation of the Qujing Economic and Technological Development Zone, the establishment of internal institutions, the appointment and dismissal of county-level cadres, the distribution of compensation and income, and the layout and approval of major projects, personnel management at the department level and below of the Qilin District Management Development Zone, the layout of general projects and the basic policy of unifying social and economic development. The main functions are the responsible for the development, construction and project services within the planning scope of the Xicheng Industrial Base (including the Mahuang Industrial Base of Qilin District), the Nanhaizi Industrial Base and the Yuezhou Industrial Base of Qilin District. The social services are implemented by the Qilin

District Government according to law. The development zone implements the director-responsibility system, with 9 internal institutions and 4 resident organizations. The remuneration of in-service staff is implemented in accordance with the current national wage policy. The current preferential policies which were granted to the development zones by the Yunnan Provincial Government and Qujing City remain unchanged. The original investment promotion, project construction, fiscal and tax collection and management, and financial management system maintain the status quo. In June 2010, it was approved by the State Council as a national economic and technological development zone. The administrative level of the development zone department was upgraded to the deputy prefecture-level, and the authority was adjusted. The director of the management committee is at the deputy-prefecture level. On behalf of the municipal government, the management committee is fully responsible for infrastructure construction, land use, FDI guidance, and social services; it has its own level of finance, the budget can be compiled, documents and regulations are issued in the name of the development zone management committee; personnel recruitment is more flexible, salary management linked to performance.

Analysis of the development of the management system: it can be seen from the above that in the four development stages of Qujing Economic and Technological Development Zone, the following changes have taken place in its management system:

In terms of institutional nature, there was no clear legal norm at the beginning of 1992 to guide the establishment and management system of the development zone. The Development Zone Management Committee is just a subordinate institution of a county-level municipal government. It can already manage the overall operation of the development zone and lacks relevant legal regulations and authority establishment. The management authority is chaotic, and the county-level administrative power and the prefecture-level economic management authority coexist. In 1997, the central government approved the Qujing District to revoke the Administrative Office and re-established it as the Qujing Municipal Government as a prefecture-level city, but the Qujing Municipal People's Government did not serve as a four-level regime (central, provincial, county, and township) in the national constitutional system. In part, the dispatched organs lack power. The adjustment in 2004 may be regarded as a confirmation of legality. By merging with the administrative district, the development zone government (administrative committee) is given appropriate administrative status and actual legal power. The 2008 adjustment is also based on this increase. Generally speaking, the legal status and administrative status of the Development Zone Management Committee is a process that is gradually becoming clear. However, the level of regulation is not enough. It is only through administrative legislation, and there is no clear regulation of legality by the legislature such as the National People's Congress.

The management committee experienced a developing process from a single subject to multiple subjects. From the perspective of "governance" theory, it seems to make sense. In fact, the development zone has been gradually expanded from a single management committee to the Qujing Municipal People's Government and various functional departments. Finally, the surrounding Qilin District People's Government has also participated in the management of the development zone. In other words, they are all government entities, and the participation of the social subjects, citizen entities, and business entities in the development zone have obviously not been realized. And the different levels and different departments within the same subject will inevitably lead to problems such as low management efficiency, shirking, and disputes of interests.

Institutional settings and jurisdiction: the two are basically in a positive correlation, and the expansion of jurisdiction will bring about a superposition of various political and social affairs, which will lead to institutional expansion. With the passage of time, various government agencies in the development zone have multiplied, the management committee's own institutions have expanded, and the functional departments of Qujing government directly have also settled in, and several institutions and government subordinate enterprises have emerged. On the one hand, it shows that the development zone has indeed been developed, no matter the geographical scope and economic performance. This is undoubted. On the other hand, it shows that the streamlined and efficient start-up principle of the development zone management system is being destroyed. The management committee is unique. The administrative agencies have not used the original effective setting. Under the requirements of the superior government, internal and external institutions are still expanding. These signs indicate that the development zone is gradually returning to the traditional system.

### III. PROBLEMS IN THE MANAGEMENT SYSTEM OF QUJING ECONOMIC AND TECHNOLOGICAL DEVELOPMENT ZONE

Along with the establishment of China's market economic system, the new and old management system of the development zone is constantly running in. Development Zone has been continuously exploring and innovating in the management system, and has achieved outstanding results: the establishment of the management organization and the gradual standardization and management functions changed. The quality of managerial faculty has been improved. Despite this, there are still some problems in the management system of the development zone. For example, the legal orientation of the administrative subject is still ambiguous, the function is ambiguous, the authority management structure and the traditional architecture return.

#### A. *The Administrative Subject Status of the Development Zone Management Committee Is Unknown*

The Qujing Development Zone Management Committee plays a large role as a government with administrative power and administrative responsibility. According to the Law of the People's Republic of China on Local People's Congress

and Government Organization, it is not a legal local government. So far, no government regulations have referred to the administrative act. The "Organization Law" has not yet clearly stated that the development zone, because the development zone may be immature and subject to change. As a result, problems such as division of departments, cross-functions, squabbles, and unsatisfactory government policies in the development of Qujing City Development Zone have been delayed, especially the administrative subject status of development zones has been questioned, and the legitimacy of administrative actions is facing problems.

#### *B. The Demonstration Effect of the Development Zone Is Not Prominent*

Qujing Economic and Technological Development Zone has many lessons to learn from past experience. Not only the QiLin District People's Government where the development zone is located can learn from it, even the Qujing Municipal Government can do so. But many good practices in the development zone have not spread to the outside world. For example, the development zone management committee's efficient and streamlined organization, the merger and reduction of the department is in line with the current central government's large department requirements, and the external administrative area has not changed. The management of the development zone mainly focuses on services and tax incentives, it does not interfere with economic operations, and the government outside the region still interferes excessively with the operation of the enterprise. The result of this kind of situation has caused not only the outstanding achievements of the development zone to go out, but the external environment has prompted the development zone to return to the traditional management mode, and the demonstration role will be disappeared.

#### *C. Unbalanced Relationships Between Government and Enterprises*

In the process of construction and operation of China's development zones, the government and enterprises work together to achieve the goals. No matter how the development zone develops, the government needs to do many activities. The Qujing Development Zone is a typical government-led system, but it has subsidiaries, such as tourism development companies. According to the documents of the Qujing Municipal Government, the Development Zone Management Committee can manage the fiscal and taxation, state-owned assets, organization and personnel of the development zone according to law. The development zone itself has to attract a large number of enterprises to invest and build to promote economic development. How to balance its own business and other companies in the zone is a test of fair management in the development zone. No matter which forms of government, the natural preference for its own business, this is undoubted, the management committee as a referee and an arbitrator, handling them is very difficult.

#### *D. Confusion with the Urban Management System and Mechanism*

The development zones are all within the city. The development zone is the development zone belonging to the city. It can even be considered as a "city" deriving from the city and a "little city" lies in the "large city". Based on such misunderstandings, development zones are often considered to be engaged in urban management within their own jurisdictions, dividing boundaries, and not intersecting with the overall urban management of the city in which they are located. It is contrary to the original intention of setting up the development zone. Modern urban management generally emphasizes three aspects: the economy, society, and environment of the city; in contrast, the development zone always has only the functional orientation of economic management. The Qujing Development Zone is located within the Qilin District. It is not only responsible for economic functions, but also undertakes social management and mass services, and even environmental protection. The department was mixed and the management committee became a small city government. There is no difference between urban management and the loss of its professional independence.

### IV. THE SYSTEM DESIGN OF MANAGEMENT SYSTEM REFORMING

The central government requires: "In accordance with the goal of establishing an administrative system with Chinese characteristics, we must further promote the separation of government and enterprise, separation of government and capital, separation of government and public utility, separation of government and society, and construction of a service-oriented government with reasonable function, optimizing structure, without corruption, high efficient and high people's satisfaction." Therefore, Qujing Economic and Technological Development Zone, as a major innovation in the reform and development of Qujing City, of course, should be at the forefront of the management system reform and become a successful practice and an important part of the modernization of the national governance system and capacity building.

#### *A. Strengthening Top-level Design and Strategic Planning in Legislation*

The National People's Congress and the State Council shall formulate laws and regulations for development zones at the national level, such as the Law of the People's Republic of China on Economic and Technological Development Zones. The Local People's Congress and the Local People's Government Organization Law are subject to certain revisions, and the Development Zone Management Committee is included in the national administrative organization sequence. The provisions of the organs or agencies dispatched by the superior government shall be amended; it is clear that the Qujing Municipal People's Government, which is a prefecture-level city, may establish its own dispatching agency as a representative of the municipal government to exercise management functions in

the Qujing Technology Development Zone on the premise of approval by the State Council.

The Standing Committee of Qujing Municipal People's Congress should introduce a Regulation of Qujing Economic and Technological Development Zone. The reform and development of the development zone are gradually incorporated into the rule of law. Clarify the conditions, powers, and administrative procedures for the development zone management committee and its various subordinate organizations; further, review relevant administrative regulations and proposals, and resolutely prevent the increase or decrease of institutions and personnel according to individual will. General daily administrative affairs can implement the basic decision-making rules of the government: the leading cadres' responsibility system.

### *B. Playing the Role of Demonstration*

After years of development, the development zone has many successful experiences and failures. It should take its essence to its dross. The part that is relatively mature and universal should rise to the top design of the country and the legislation should be fully implemented. If it is still part of the local experience, continue to trail in pilot work. The special administrative structure of Qujing Development Zone is worthy of reference from the surrounding administrative regions and other regions. It can send relevant personnel to guide the reform of its management system, and try to transfer the excellent staff to the surrounding administrative areas as a guide or leader; the committee coordination group should further assist the surrounding administrative regions to conduct reform in supporting the transformation of industrial settings.

From the overall formation of an industrial chain with a high technical standard, promote the transformation and upgrading of upstream and downstream industries in other areas of Qujing City, and the overall development and integration of the development zone; actively sharing talents, technology, capital, information and successful experience with the surrounding administrative regions and other external regions. For example, the industrial support for the surrounding areas of Malone County and Zhanyi County, which can be upgraded and transformed from that. It is possible to give full play to the role of communication, exchanges, and cooperation between departments and administrative regions.

### *C. Building a Management System That Promotes Innovation and Entrepreneurship*

In order to realize the mission of promoting innovation and entrepreneurship, the development zone should be transformed. The management system of the management committee should return to the track of promoting innovation and entrepreneurship. The role of the management subject is repositioned, and the "steering" and "paddle" are separated. As far as possible, through the marketization and enterprise, the provision of public services is undertaken by the market and social forces, and the enterprise service is most important. Professional management, talent, post service, and

expert leadership are more conducive to promoting the development of technology in the region; the introduction of enterprise management methods, using enterprise management concepts to reconstruct the overall organizational culture of the management committee. Focus on the integration of advanced management methods and special policy environments to reduce bureaucratic atmosphere; promoting performance management, service quality, customer satisfaction, efficiency and cost benefits. The introduction of the competition mechanism can make the management committee truly face the market test, and it can also cause the pressure of survival of the fittest to force them to improve efficiency and quality. Taking the customer as a priority in the development zone, all enterprises and residents should be regarded as "customers". Their response and satisfaction are the hallmarks of the success of the development zone, and as a result, they have naturally returned to the system of innovation and entrepreneurship.

### *D. Making Use of the Decision-making Role of Market Allocation Resources*

According to the policies of the central government, the economic functions of the development zone management committee should be highly emphasized. The management committee should pay attention to economic management and corporate services from beginning to the end. To a certain extent, it can be regarded as a ministry of Economic Industry Development in the Development Zone sent by the Qujing Municipal People's Government. However, the management committee should only be responsible for economic development and macro-control in the development zone. The rest of the functions are handed over to the local governments at the same level in the jurisdiction, such as the Qilin District People's Government; various urban and rural communities; and social organizations. The approval of the investment projects by the management committee and other government departments is also an act that affects and intervenes in the allocation of resources in the market. This kind of influence and intervention is necessary. The key is what kind of ideas the government uses for approval and what is approved. The development zone management committee should further respond to the reform of the examination and approval system implemented by the State Council, streamline the examination and approval projects from various aspects, and shorten the time limit. At this point, we can fully learn from the experience of the Shanghai Free Trade Zone and implement a "negative list system". As long as the government does not expressly stipulate, it can be developed and constructed, that is, "the law can be made without clear regulations."

### *E. Innovative Social Governance in the Development Zone*

Management committee should play the leading role, encourage and support the participation of all sectors of society to achieve a good pattern of government governance, social self-regulation, and benign interaction of residents' autonomy, as well as find an appropriate balance between government governance and social governance, make effectively complements with each other, highlight the openness and justice of the governance process, the clarity of

the governance responsibility mechanism, the implementation of the governance and democratic mechanism, and the establishment of the rule of law governance, correctly grasp the mutual relationship between the government, the market, and the society, form a development pattern of “strong government – strong society”, further promote the separation of government and society, and support the development of NGOs. This is to enable various types of NGOs in the development zone to position their own functions, achieve self-management according to law, and use the overall social support function. Public services and solutions that can be provided by social organizations are delivered to social organizations to create workspaces for them. It is also necessary to realize the decoupling of various social organizations from the Qujing Municipal People's Government and the Development Zone Management Committee as soon as possible, and truly eliminate all the relations between the NGO and the Development Zone Management Committee or the Qujing City or the QiLin District Government; and many of them engage in accounting audits and laws, and supporting the development of voluntary organizations and societies.

## V. CONCLUSION

Experience has shown that most of China's domestic development zones have finally transitioned to the new city; and the management committee has become the city government of the new district. The original intention of the development zone has not been well maintained, and there is no significant difference between urban management and development zone management. Qujing Development Zone is probably not an exception. This does not mean failure. The future of Qujing Development Zone is still very optimistic: from the perspective of big history, whether it is a development zone, a new city or a special zone, its core remains unchanged: the gradual development of the market economy and the steady improvement of the technological level. The gradual transformation of government behavior and the pace of social progress remain unchanged. In the foreseeable future, the development zone will naturally enter history. There will never be a development zone on China land. The spirit and essence of the development zone have spread throughout the land of China, reaching every place and every region. The development zone will make China once again an open and prosperous country and a thriving society.

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