

Research on the Chinese Characteristics and Development Path of Guangdong-Hong Kong-Macao Greater Bay Area

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Abstract—The report of the 19th National Congress of CPC clearly stated the construction strategy and policy arrangements for the Guangdong-Hong Kong-Macao Greater Bay Area. Compared with other international famous bay area economies, the Greater Bay Area has distinct Chinese characteristics, including the cross-border cooperation under the institutional framework of "two systems and three zones", the multi-level governance under the condition of "one country and two systems" and the multi-center pattern in regional economic development. The Guangdong-Hong Kong-Macao Greater Bay Area has huge development advantages in aspects of intellectual support, economic foundation and location characteristics, but also has certain shortcomings in aspects of soft environment construction and the integration of administrative systems. The construction of the Greater Bay Area can be strengthened by top-level design and planning, integrating regional resources, creating innovative and entrepreneurial bases, and promoting the connection between institutional mechanism and institutions to realize rational flow and mutual-benefit sharing of resource elements and boost the long-term sustainable development economy in the bay area.

Keywords: *Guangdong-Hong Kong-Macao Greater Bay Area, characteristics, path*

I. INTRODUCTION

In recent years, China's economic development situation has become increasingly complicated; domestic and international environments have undergone great changes; reforms in various aspects have entered deep-water areas; regional economic integration and development have entered a new stage. China has also begun to gradually explore new models of regional economic development to enhance the level and quality of economic development. The Pearl River Delta region has long been one of the most active regions in China's economic development. As the forefront of reform and opening up, the region has always assumed the responsibility of leading the opening up. And the establishment and implementation of the Guangdong-Hong Kong-Macao Greater Bay Area gives the region a brand-new role and mission. In March 2015, when China announced the "Belt and Road" initiative, the concept of Guangdong-Hong Kong-Macao Greater Bay Area was first proposed; in March

2017, the State Council's government work report raised the construction of the Greater Bay Area to the national level for the first time and the economic development plan for the Greater Bay Area was officially promulgated; in October 2017, the 19th National Congress of CPC further stated China's strategy and policy arrangements for the construction of the Greater Bay Area. At present, uncertainties in the global economic development are increasing, competition among enterprises is intensifying, and regional capital and labor are lacking. In this circumstances, constructing the Greater Bay Area can cope with the adverse effects of this globalization situation on China and can also promote the economic linkage and development between Hong Kong and Macao and mainland China. Its strategic meaning is significant.

Globally, there have already been three well-known Bay Area economies, namely the New York Bay Area, San Francisco Bay Area, and Tokyo Bay Area. As the fourth largest Bay Area emerging, the Guangdong-Hong Kong-Macao Greater Bay Area has unique local characteristics in comparison with the above-mentioned Bay Areas. Hence when building the Guangdong-Hong Kong-Macao Greater Bay Area, it is needed to fully consider the influence posed on the economic development of the bay area by Chinese characteristics. For example, cross-border cooperation is a major challenge for the Guangdong-Hong Kong-Macao Greater Bay Area. It is determined by the national policy of "one country and two systems" and is also the largest Chinese characteristic of the Greater Bay Area. In this situation, the regional coordination of the Greater Bay Area will become complicated. Based on the above analysis, the construction of the Greater Bay Area should start from its unique regional characteristics, focus on its advantages and shortcomings in the development process, and then find the basic ideas and specific implementation paths for the cooperative development of the Greater Bay Area.

II. CHINESE CHARACTERISTICS OF GUANGDONG-HONG KONG-MACAO GREATER BAY AREA

A. *Cross-border cooperation under the institutional framework of "two systems and three zones"*

There is no doubt that Guangdong, Hong Kong and Macao belong to China, but there are two political systems and three separate customs zones. This is the most prominent Chinese characteristic of the Greater Bay Area. Within the Greater Bay Area, the nine cities of the Pearl River Delta (Guangzhou, Shenzhen, Zhuhai, Dongguan, Huizhou, Foshan, Zhongshan, Jiangmen and Zhaoqing) belong to Guangdong Province and are administered in accordance with the political, economic, and legal systems of Mainland China; and Hong Kong and Macao belong to the special administrative region established under specific historical conditions and implement capitalist system and are administered in accordance with their respective legal and administrative systems. At the same time, the three regions belong to different customs zones. The nine cities in the Pearl River Delta implement the customs regime of the mainland China, while Hong Kong and Macao are free ports and can freely arrange their specific customs regimes, having great power to make decision independently. According to the above analysis, the so-called "two systems and three zones" cross-border cooperation refers not only to the geographical border, but also to the border of political, economic, and legal systems.

Among the different regional borders, the borders between Guangdong and Hong Kong, and between Guangdong and Macao, belong to the border between the Mainland and the Special Administrative Region. The border management more reflects the will of the central government, and has stricter controls on personnel and material flows; Hong Kong and Macao belong to the Special Administrative Region, so the border management between them is relatively loose and basically a continuation of the historical system. As for the nine cities in the Pearl River Delta, they belong to the Mainland and their personnel and elements can basically move freely; but in the context of decentralization of administrative power, in order to obtain greater local benefits, local governments may also compete with each other, which may also cause blocking on regional borders to a certain extent. The above-mentioned different types of borders / boundaries are not only obstacles to the development of the Guangdong-Hong Kong-Macao Greater Bay Area, but also the corresponding resource conditions. The economic and social integration based development of cross-border areas can be achieved if only the resources and elements of the administrative regions can be coordinated and utilized as a whole. Specifically, it is necessary to give positive play and reduce negative influence of scientific border management mechanism, make the best efforts to reach a balance between macro policy and micro demand and realize mutual benefits and win-win on the premise of making a full investigation on the impact of borders / boundaries on the flow of resources and elements.

B. *Multi-level governance issues under the condition of "one country and two systems"*

The Greater Bay Area is not an area in administrative concept, but an economic system consisting of a number of different levels of administrative units. Geographically, the Greater Bay Area includes the nine cities in the Pearl River Delta, as well as Hong Kong and Macao. However, among the nine cities, there are two sub-provincial cities (Guangzhou and Shenzhen) and seven prefecture-level cities (Zhuhai, Zhongshan, Jiangmen, Foshan, Zhaoqing, Dongguan and Huizhou), where Shenzhen and Zhuhai are the first special economic zones, and Shenzhen is also a city with independent planning status; Hong Kong and Macao are two provincial special administrative regions directly under the jurisdiction of the central government. This shows that the Greater Bay Area is actually a multi-level governance area with multiple administrative frameworks. In the context of "one country and two systems", although the Pearl River Delta region is very close to Hong Kong and Macao, both Hong Kong and Macao have not been included in the development plan of the Pearl River Delta because of administrative barriers; however, the Guangdong-Hong Kong-Macao Greater Bay Area breaks through this constraint and gets Hong Kong, Macao and the Mainland uniformly incorporated in the economic development system of the Bay Area for the first time. However, in the specific implementation process, considering the administrative barriers and multi-level governance system within the Guangdong-Hong Kong-Macao Greater Bay Area, it will become difficult to coordinate the development of the entire region and is easy to lead to specific administration, duplication of construction and waste of resources. This is the biggest challenge facing in the construction of the Greater Bay Area.

C. *Multi-center pattern in the regional economic development*

Different from the single-center-city pattern of Tokyo Bay Area and New York Bay Area, the Guangdong-Hong Kong-Macao Greater Bay Area is facing fierce competition in terms of central city. In fact, the Greater Bay Area has formed a multi-center-city pattern. Among the Greater Bay Area, Guangzhou is always the political, economic, and cultural center of South China. However, since the reform and opening up, Shenzhen has risen strongly, with economic status gradually surpassing Guangzhou's, becomes a major city in South China and an important regional center so that the Pearl River Delta is evolved from the original single-center (Guangzhou) pattern to dual-center (Guangzhou-Shenzhen) pattern. However, in the Greater Bay Area, the evolution of the regional center pattern should also take into account Hong Kong and Macao. In the past 20 years, the rapid economic growth of the Pearl River Delta region cannot be separated from Hong Kong's leading role. Actually since the 1980s, Hong Kong's manufacturing industry has been transferred to the Pearl River Delta region, which becomes a key factor driving the economic development of the Pearl River Delta region. Hong Kong has long played a leading role in the regional economic development. However,

with the continuous development of the economy and society, institutional differences, administrative barriers, and industrial structure adjustments have gradually reduced Hong Kong's economic driving force. It has been difficult to drive the rapid development of the entire Pearl River Delta region as in the early days of the reform and opening up; coupled with the rapid development of Guangzhou and Shenzhen, Hong Kong's status as a regional center city faces serious challenge. As a result, the Guangzhou-Shenzhen-Hong Kong multi-center pattern has gradually taken shape within the Greater Bay Area. As for the west bank of the Pearl River Estuary, Zhuhai was positioned as the core city on the west bank of the Pearl River Estuary and Hengqin free trade zone was set up in Zhuhai as stated in the Outline of the Plan for Reform and Development of the Pearl River Delta Region (2008). Since then, Zhuhai has undergone a rapid economic and social development, and the development in coordination with Macao also enters a new stage. In the future, Zhuhai is very likely to play a key role in the economy of the entire Greater Bay Area. Above all, the Greater Bay Area will not be driven by a single center city like other Bay Area. Instead, it will usher in a multi-centered situation, which will have far-reaching influence on the future development of the Greater Bay Area.

III. ADVANTAGES AND SHORTCOMINGS IN ECONOMIC DEVELOPMENT OF GUANGDONG-HONG KONG-MACAO GREATER BAY AREA

A. Advantages

The Greater Bay Area has huge advantages in talent cultivation and technological research. In the Greater Bay Area at present, there are many top universities and research institutes, such as Hong Kong University, Hong Kong University of Science and Technology, Sun Yat-Sen University, South China University of Technology, Southern University of Science and Technology, University of Macau, etc. These educational resources lay a foundation for the cultivation of talents in the Bay Area and are important sources of intellectual support for the Greater Bay Area. From the development experience of foreign countries, all successful Bay Areas are realized under strong education and talent training conditions, so do the San Francisco Bay Area and Tokyo Bay Area. In addition, with the support of universities, scientific research institutes and other scientific research platform systems, scientific and technological research and development achievements will continue to appear and be transformed into real productivity. In fact, Shenzhen has now become a national innovation center, and this trend will be constantly strengthened in the future.

The Greater Bay Area has strong economic strength. Currently, the Greater Bay Area covers a total of 11 cities including Hong Kong and Macao, of which Guangzhou, Shenzhen and Hong Kong are very large cities, with huge economic scale, remarkable achievements in scientific and technological innovation, and strong radiation capacity. Among the urban agglomeration in the Greater Bay Area, Hong Kong is positioned as an international financial, trade

and shipping center, Guangzhou is positioned as a political, economic and cultural center, and Shenzhen is positioned as an economic and innovation center. These three cities have their specific advantages and lead economic development in their unique regional division of work. In addition, around large cities, there are also emerging cities and industrial cities such as Foshan, Dongguan, Zhongshan and Zhuhai. They have established into industrial clusters with their specific characteristics and realized the integration of regional economic development through complementing their advantages.

The area has huge location advantage and developed infrastructure. From the international experience, location advantages and infrastructure are necessary conditions for building regional growth poles. Both of them are indispensable. In terms of geographical distribution, the Greater Bay Area is located in South China, at suitable latitude, with pleasant climate, large population, and unique geographical conditions for economic development. At the same time, the Greater Bay Area is also an important hub for China to connect ASEAN and other overseas markets. It is a frontier for opening up to the outside world and has an opening advantage incomparable to other regions. From the perspective of infrastructure, the Greater Bay Area is one of the areas in China with the best infrastructure. It has a well-developed three-dimensional transportation system. In recent years, it makes large efforts in construction of high speed railway, expressway, civil airports and deepwater ports, including Hong Kong-Zhuhai-Macao Bridge, Shenzhen-Zhongshan Bridge, Guangzhou-Zhanjiang High Speed Railway and other national key projects. Its infrastructure has gradually surpassed that of other famous international bay areas and is a key advantage for the area's future economic development.

B. Shortcomings

Compared with the hardware advantages of the Greater Bay Area, the shortcoming in economic development is mainly reflected in the field of software, namely the construction and implementation of systems needs to be further strengthened. First of all, the multi-center pattern of the Greater Bay Area has increased the difficulty in coordinating the interest relationship among the center cities. Although there is a certain degree of division of work among the cities within the Greater Bay Area, there are still some fields that still have loose cooperation or even fierce internal competition. Second, under the current institutional conditions, the economic hinterland of the Greater Bay Area has been artificially divided, making it difficult to form a smooth economic network. The economic hinterland of the Greater Bay Area not only refers to the Pearl River Delta region, but also covers the entire Pan-Pearl River Delta region, including the vast area of South China. Only in this way can the economic development of the Greater Bay Area be supported, because if the economic hinterland is narrow in range, it will be hard to form large-scale industrial clusters and urban economic circles, which is extremely detrimental to the economic development of the Bay Area. In the economic hinterland area, it is necessary to form a sound

information network, transportation network and market network. However, under the existing conditions, the economic hinterland of the Greater Bay Area has severe administrative barriers and fierce internal competition, resulting in unsmooth connection in fields of traffic, communication and customs clearance and large barrier in aspects of flowing and sharing and integration of resources and elements. Consequently, it is hard to form an organic unification of information network, transportation network and market network and the effect of industrial clusters and urban agglomeration of the Bay Area cannot be fully achieved.

IV. EXPLORING THE PATH FOR CONSTRUCTION OF THE GUANGDONG-HONG KONG-MACAO GREATER BAY AREA

A. Strengthening the top-level design and doing a good job in the overall planning of the Bay Area

Considering the cross-border cooperation, multi-level governance and multi-center development pattern of the Greater Bay Area, it is urgently necessary for the central government to issue a top-level design plan and make full use of joint meetings and other means to promote unified planning and joint implementation of cities in the Bay Area and achieve coordinated regional economic and social development. It is recommended to establish a Guangdong-Hong Kong-Macao Greater Bay Area Construction Management Committee led by deputy national cadres, with reference to the advanced experience of economic development in bay areas of foreign countries, and enhance the national top-level design, construction major cooperation platform for the Bay Area and drive the implementation of relevant policies in accordance with the ideas and concepts of promoting the coordinated development of the Greater Bay Area. In addition, the planning of the Greater Bay Area should not stand still and be confined to one place at a time. It must have a global and strategic vision, break through the existing "9 + 2" geographical restrictions, expand toward the east, west, and north, and get the bay area closely connected with Fujian, Hu'nan, and Guangxi to form a spatial concept of the economic circle around the South China Sea. It is necessary to deepen the reform of the administrative system, break the bad habits of blocking division in previous regional planning, globally focus on realizing industrial planning and spatial layout in larger space area to seek wider economic hinterland for the development of the bay area while making the area a key strategic support for China in implementing the "Belt and Road" initiative.

B. Getting through the development bottlenecks and integrating resources in the region

At present, the administrative barriers in the Greater Bay Area are relatively prominent, and the traffic, communication, and customs clearance connection between cities in various regions is not smooth; those factors constitute the bottlenecks in regional economic development which need to be solved urgently through system and mechanism reforms. It is necessary to arrange central-level

joint meetings including the leaders of Hong Kong and Macao to break through the limits of the administrative management area and discuss and resolve issues such as the optimization of industrial layout and the orderly connection of transportation facilities. On some major projects, such as the Hong Kong-Zhuhai-Macao Bridge, high-speed rail planning, port construction, airport distribution, etc., it is needed to hold joint meeting between cities to make coordination to ensure the common interests and coordinated development of cities in the region, so that resources, talents, technology, and other factors can flow reasonably and be mutually beneficial and shared and the institutional transaction costs and resource allocation efficiency can be reduced to the maximum extent. The construction of the Greater Bay Area involves cooperation between cities, which requires each city to form its specific development orientation. On the basis of integrating relevant resources of each city, it is necessary to promote the dislocation development of urban agglomerations, give full play to the unique advantages of each city, and create an industrial cluster with clear division of labor, sincere collaboration, and distinctive regional characteristics. For example, Guangzhou can consider maritime transportation and equipment manufacturing as the core; Shenzhen should focus on promoting Shenzhen-Hong Kong cooperation in the Qianhai Cooperation Zone; Dongguan should continuously undertake Shenzhen's industrial transfer and take advantage of its industrial advantages in manufacturing; Zhuhai can focus on the development of coastal tourism, equipment manufacturing and high-end service and the like advantageous industries.

C. Strengthening independent innovation and building a base for innovation and entrepreneurship

As a successful example of bay area economy, San Francisco Bay Area consistently adheres to the principle of leading regional development by innovation. Silicon Valley is the most typical innovation and entrepreneurship base in the region. The Guangdong-Hong Kong-Macao Greater Bay Area should also learn from relevant experiences to strengthen independent innovation and drive the sustainable development of economy and society with innovation. As a national innovation demonstration city, Shenzhen has now formed a high-tech zone led science and technology innovation and headquarters cluster area. It has achieved remarkable achievements in independent innovation, but this is far from enough. In order to achieve the sustainable development of the Greater Bay Area, it is also necessary to form an independent innovation atmosphere in the entire region, make efforts in creating the soft environment that encourages and supports innovation and entrepreneurship, give full play to the innovation advantages of universities, research institutes and high-tech enterprises, and build a positive innovation ecosystem. The historical experience of Silicon Valley in the United States, such as organizing scientific and technological communities, councils, and academic journal exchanges, can be drawn to promote the communication and information sharing among scientific and technological talents, so that more outstanding talents

can show their outstanding talents. In addition, it is available to further build a number of cutting-edge research institutions, at the same time strengthen cooperation with first-class scientific research institutions both in China and foreign countries, and take extraordinary methods to construction major scientific and technological infrastructure and innovation platforms. It is also necessary to build an innovative ecological chain system from the perspective of industrial development, and build a world-class innovative industrial chain with full independent innovation capabilities. With regard to financial support, it is needed to greatly enlarge the size of venture capital funds, adjust the manner of fund supporting for innovation industry, and enlarge the support for innovation and entrepreneurship activities to realize independent innovation based sustainable development.

D. Deepening Guangdong-Hong Kong-Macao economic cooperation and promoting efficient connection between their Institutions and mechanisms

In terms of economic development, it is possible to explore and implement simpler customs clearance models and visa schemes to achieve efficient allocation of resource elements. It is recommended to promote the effective connection between the tripartite systems of Guangdong, Hong Kong and Macao, and unify the standard in economic and trade cooperation, environmental protection, property rights protection, labor rights protection, etc. to achieve comprehensive docking of relevant laws and regulations. For this purpose, the national level should actively intervene and study and formulate the judicial connection plans for different regions of the three places. Even when conditioned, the three parties can jointly formulate and implement a plan for the construction of the rule of law in the Guangdong-Hong Kong-Macao Greater Bay Area and establish a tripartite judicial arbitration and mediation commission and dispute resolution agency to timely resolve relevant legal disputes. At the same time, the three parties can also jointly establish support and guarantee mechanisms for laws and regulations, strengthen mutual legal assistance and cooperation, promote the sharing of judicial resources and information, and provide strong legal and regulatory support for the deep integration between Guangdong, Hong Kong and Macao. In addition, the administrative officials, corporate organization representatives, well-known experts, scholars, and citizens representatives of Guangdong, Hong Kong, and Macao can jointly form a Guangdong-Hong Kong-Macao Development Planning Committee to regularly discuss the common development issues of Guangdong, Hong Kong, and Macao, coordinate and solve relevant interest disputes and legal conflicts, explore and formulate a long-term development plan for the Greater Bay Area, and try the best to solve the institutional differences and interest coordination issues between the three parties, and realize the long-term stable development of the Bay Area economy.

V. CONCLUSION

The construction of the Guangdong-Hong Kong-Macao Greater Bay Area is an important measure for China to comprehensively deepen the reforms and opening up. It is also an important practice for the further development of the "one country and two systems". Compared with the existing three major bay areas in the world, the Greater Bay Area has obvious Chinese characteristics, including the cross-border cooperation under the framework of "two systems and three zones" and the multi-level governance under the conditions of "one country and two systems" and also involving the multi-center pattern in regional economic development. At present, the Greater Bay Area has obvious advantages in talent support, infrastructure and location characteristics, but there are still some shortcomings in aspects of business environment, regional coordination, and institutional connection. Considering the development status of the Greater Bay Area and combining with the successful development experience of other Bay Areas in the world, it is necessary to do the following points in order to promote the further development of the Greater Bay Area: the first is to start from top-level design and make scientific and rational construction plan at strategic level; the second is to take measures to eliminate regional administrative barriers and vicious competition and promote coordinated and orderly development in the region; the third is to pay attention to the construction of soft environment, create a harmonious atmosphere for innovation and entrepreneurship and build an efficient independent innovation system. Finally, in order to realize sustainable development of the Greater Bay Area, it is also needed to boost solving the problem of institutional and mechanism connection between Hong Kong, Macao and the Mainland of China, realizing rational flowing and mutual-benefit and sharing of relevant elements.

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