

Dilemma and Resolution of Transnational Public Administration Cooperation in CAFTA

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Abstract

The establishing of CAFTA has brought very fast development of regional economy. But in this region transnational public administration cooperation have not been developed synchronously because of some reasons. In this manuscript the authors elaborated dilemma of transnational public administration cooperation and analyzed the actual and academic reasons of dilemma, and then offered some proposal.

Keywords: Transnational Public Administration, CAFTA, Regional Change.

1. Introduction

On January 1, 2010, CAFTA was formally established, which was a significant achievement of the regional development. The establishment of free trade area made a pair of wings for the most active economy area in the world. The whole region has got huge gains from this regional change. After three years, by 2012 CAFTA trade volume has reached \$400.09 billion, a 10.2% increase over 2011. ASEAN has been China's third largest trading partner for four years. And China has been also ASEAN's biggest trading partner for continuous three years.

The further development of CAFTA can't do without the development of transnational public administrative (TPA) cooperation in the region. The service target of TPA is personnel, goods, services, investment flowed in this area. The objective of TPA should be to provide convenient services for the flow of production factors through methods such as simplified procedures, unified policies and standards, mutual authentication as possible as it can and promote regional economy development, and then to create conditions for the higher-class regional economy integration forms. But from the current situation we can see there were many difficulties about current cooperation, which hampered the smooth flow of personnel, goods, services in the zone, and hindered the connection as a whole of China and ASEAN's market.

2. Dilemma of Transnational Public Administration Cooperation in CAFTA

2.1 Infrastructure Cooperation Dilemma

The first question is the lack of infrastructure. The transportation between China and ASEAN is mainly through Guangxi province's shipping, road transport and air, Yunnan province's road transport and air. For the lack of railway, highway and inland waterway the flow scale of personnel, goods and services between China and ASEAN is very limited. The second question is incomplete utilization on infrastructure. One is open but unsmooth logistics system. For example, any goods from Yunnan to Thailand, passing by Laos, will be declared for 4 times, and every time needs to pay a fee. And the vehicles do not be allowed to directly enter the other country. In the process of transportation loading and unloading cost is increased, and the goods also get a loss. The other is the mutual communication block. China mobiles are unable to use in many ASEAN countries because of the lack of relevant agreement and the authentication.

2.2 Information flow Cooperation Dilemma

Information flow cooperation trouble is indicated in market information is blocked and policy information is not transparent. Foreign investors need to know about the host country's investment environment, but in this respect China and ASEAN's transnational public administration organizations do not do well. Directors of the institute of industry in this region generally consider themselves

bad-informed on related industry information of the host country. Foreign investors also need to know about the host country's policy and law changes. But these countries do not make enough information dissemination.

2.3 Personnel flow Cooperation Dilemma

Personnel flow will bring capital, technology, consumption, and many other benefits. But even so many countries are still trying to restrict the inflow, such as restricting the times of in and out, stay term. Even for tourists, many countries also implement strict restrictions, such as requirement to pay visa fee, travel time restriction, cockamamie procedure of customs clearance, etc.

2.4 Capital flow Cooperation Dilemma

Capital is the most easy to flow among production factors, but there are some obstacles on capital flow in free trade area. For example some countries require foreign investors must exchange local money by official exchange rate conversion cost to invest money, but because of the low level of financial supervision, the official exchange rate and black market rate can differ one hundred times. This unpractical financial policy greatly hinders the foreign capital to flow into. At the same time, some countries can't provide good financial services, but they also don't want to relax financial access restrictions, which will limit the free capital flow.

2.5 Goods and Services flow Cooperation

Dilemma

Goods and services flow cooperation dilemma is mainly concerned with certificate of origin use, customs clearance facilitation, invisible barriers and corruption problems. First of all, without enough declaration and data abutment, many enterprises do not still know about the benefits of certificate of origin and how to use, and also think it inconvenient to use the certificate. Secondly, customs clearance facilitation is more limited to word of mouth. In fact, cockamamie procedures, long time, and repetitive inspection and so on, hinder the improvement of the customs clearance efficiency. Thirdly, in order to protect their own interests, many countries have made various Nontariff barriers and invisible barriers such as incongruous technology and standards. Finally, corruption, such as bribe, and some no license fee is also a problem needed to solve.

3. Reasons Analysis on Transnational Public Administration Cooperation Dilemma in CAFTA

3.1 Practical Reasons Analysis

3.1.1 Infrastructure Can't Keep Up

In CAFTA, lack of convenient railway transportation, inland water transport conditions, and separate of mobile phone signal, Internet do hinder the free flow of personnel, goods, services, information in the region

3.1.2 Human Factors Influence

The backward infrastructure only can cause some transnational public administration problems to a certain degree. In fact more trouble comes from human factors. Human factors are of two main reasons: lack of service consciousness and intentional block. When transnational public administration personnel can't understand the meaning and importance of their work, lack of active service motivation, will result in low efficiency of service. One reason of intentional obstructs is try to gain personal benefit, which is in fact a kind of power corruption. Another reason is more important, and its essence is benefit competition. Interest is the primary cause to promote the countries in the region to cooperate. In practice how to integrate the realistic benefit requirement of different countries to realize cooperation is a problem which each country in the region has to consider. On the one hand, the collective interests such as strengthening the integration of free trade area, and bring economic development, environmental and traffic improvement, social progress, etc, for the countries in free trade area promote the countries to cooperate. On the other hand, as a representative of the interests of own countries, the governments have motivation to utilize their public administrative power to maximize the interests for their countries, which will bring all kinds of difficulties of cooperation

3.1.3 Cooperation Organization Lacks of

Corresponding Mechanism and Authority

Now CAFTA's organization structure is defective, lack of obligatory standing organization. Routine work is mainly consulted by the China - ASEAN leaders meeting, the council of ministers, executive meeting and China-ASEAN free trade area negotiations commission. CAFTA lacks organization operation mechanism and reasonable supervision mechanism. Therefore the cooperation depends

mainly on consciousness. Such operation mechanism obviously lacks of corresponding authority, and transnational public administration cooperation problems will appear inevitably, it is difficult to solve when problems appear.

3.2 Theoretical Reasons Analysis

From the theoretical angle, it is a typical question of prisoner's game in cooperation. In real life, interest is the starting point the countries are willing to sign cooperation agreement to establish a free trade. They are all rational economic man, all in the pursuit of their country interest maximization as the action logic. In this logic, when transnational public administration faced cooperation or competition, the governments will make a microscopic rational choice from the angle of maximizing their own interests. But the result of microscopic rational choice is macroscopically irrational consequences. Each country will pay high cost for these microscopic rational choices. It is more terrible once all countries refuse to take the cooperation and coordination strategy, and its direct result is lost-lost consequence.

4. The Resolution of Cooperation Problems

4.1 Form Cooperation Common View

The cooperation countries should eliminate the idea barriers and form a common view of "win-win cooperation". The parties shall communicate effectively, and cognize the interests brought by cooperation and the bad consequences brought by noncooperation. We should regard the goal of regional cooperation not only as a policy arrangement related to life prosperity, economic competition ability improvement, and current politics and economy stability, but also as a social ideal related to regional peace and people happiness from generation to generation, and which need us to make the long term hard work and great sacrifice.

Win-win cooperation idea also contributes to the solution of lazy public administration. After knowing their work meaning and responsibility, transnational public administration personnel will actively participate in cooperative work, such as strengthening certificate of origin propaganda, organizing actively transnational joint chamber of commerce, learning from each other's business information, positively declaring countries public administrative policy, and providing convenient conditions for the flow of production factors, etc.

4.2 Establish a Permanent Organization Structure and Operation Mechanism

We can reference to the experience of European Union and North American free trade area structure construction, and build authoritative legislative and administrative agencies and the judiciary within free trade area, and make reasonable transnational public administration cooperation mechanism. Arbitration institution will settle possible disputes, thus there is perfect running mechanism and remedial measures about transnational public administration cooperation in CAFTA.

4.3 Strengthen the Construction of Infrastructure Interconnection and Interflow

Block of transportation and communication between China and ASEAN has restricted the regional economic cooperation. These countries should consult construction of interconnection and interflow of infrastructure as soon as possible, such as pan-Asia railway construction, highway planning and construction, the layout of the port, communication standards abutment and interconnection problems, and so on.

4.4 Eliminate the Human Factors

The parties in CAFTA need to strengthen cooperation, and know the different consequences of cooperation and noncooperation, and eliminate the spell of prisoner's game. We need eliminate the human factors, while build infrastructure, in order to provide appropriate international public administration for the flow of production factors. The practical methods include: one, strengthen cooperation of technology and standard, and make qualification recognition, and realize inter-communication of technology and standard, and remove the obstacles of trade and investment cooperation. Two, Promote trade and investment liberalization according to the free trade agreement, and oppose trade and investment protectionism, and remove non-tariff barriers and all kinds of invisible barriers, and realize the policy's inter-communication. Third, strengthen the communication of personnel, trade and information, and realize the intercommunication of data information by technical means, and reduce the development gap among member countries in CAFTA. Four, strengthen the anti-corruption work, especially strengthening management and supervision for the customs and public administrative departments involved in foreign investment. Five, make RMB free settlement. Six, simplify the transnational public administrative

procedures, and carry out public administration recognition, and so on.

4.5 Make Laws and Regulations of Regional Public Administration Cooperation

We should keep the consistency and continuity of regional public administrative policy by formulating laws and regulations, such as “CAFTA transnational public administration cooperation regulations”, “CAFTA transnational public administration cooperation rules”, “CAFTA transnational public administration cooperation ordinances”, etc. We need make these rules and regulations become the principle regional transnational public administration cooperation must follow, and also abide by them when dealing with transnational public administration work problems.

5. Conclusions

Although facing many difficulties currently, transnational public administration cooperation is the inevitable choice of all countries in the region as long as CAFTA countries can look ahead and look on the regional economic cooperation as the only way of regional economic development.

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