

Chapter 21

Recommendations on Deepening Cooperation Between Mainland China, Hong Kong, Macao and Taiwan to Establish “Special Zones for Social Governance”

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The Third Plenary Session of 18th National Congress of the CPC first put forward to promote modernization of national governance system and governance capacity and also set it as the general objective for the drive of comprehensively deepening reform. The modernization of national and social governance includes two major aspects: one is the modernization of national governance; the other is the modernization of social governance. The two differentiate from and complement each other. In the sense of comprehensively deepening reform, reform of national governance system is the prerequisite for effectively promoting social governance. Only by comprehensively deepening reform of the government as subject of public administration and transforming its function, can we gradually carry out and deepen many reform measures in social fields. However, we should also note that, compared with the national governance system, social structural reform and modernization of social governance is more general, complicated and arduous. It will take a more progressive and even reiterative process. Economic structural reform is on the whole successful; moreover, it has revealed and spawned a great number of social problems. These have made this process especially realistic and urgent. To some extent, it may be said that social reform and modernization of social governance is the second main battlefield after economic reform as China’s reform advances to a deeper-level in all respects.

Social reform and modernization of social governance have brought about new possibilities for deepening cooperation between Mainland China, Hong Kong, Macao and Taiwan. Over the recent years, in the context of globalization and regional economic integration, economic cooperation between Mainland China, Hong Kong, Macao and Taiwan has continued to deepen, the scale, fields and modes for economic cooperation have undergone unprecedented development, and encouraging progress has been made in institutional and mechanism construction.

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Though exchanges in social and political fields continue to deepen between Mainland China, Hong Kong, Macao and Taiwan, it is difficult to make any substantial progress in further cooperation due to the huge differences in political systems. Since the 1970s, social governance in Hong Kong has made considerable progress and won universal recognition and acclaim from the international society. Since “declaring the martial law ended”, Taiwan has made rapid progress in its social governance modernization as it continues to advance its political democracy. Various forms of NGOs flourished, community-level self-governance system continues to get improved, social enterprises and other social innovations are unprecedentedly active and various forms of cooperation mechanisms between government agencies and NGOs also become increasingly sound. The experience and lessons of Hong Kong and Taiwan in social governance modernization hold much reference significance for us.

With reference to our practice of building “special economic zones” in coastal open regions at the initial period of reform and opening up, I hereby put forward the following conceptions concerning further cooperation between Mainland China, Hong Kong, Macao and Taiwan: explore the establishment of “special zones for social governance”; demarcate a region to comprehensively build a social governance system on the basis of the preliminary success achieved in economic cooperation between Mainland China, Hong Kong, Macao and Taiwan; draw on the successful experience and modes of Hong Kong and Taiwan in social governance modernization on the basis of new cooperation mechanism between Mainland China, Hong Kong, Macao and Taiwan, deepen social reform in China in all respects; blaze a new development path for social governance modernization with Chinese characteristics under the framework of “one country, two systems”, find another great “fulcrum” for the new round of reform, and explore brand-new paths for in-depth cooperation across the Taiwan straits.

The specific suggestions are as follows:

First, reform administrative systems and build independent administrative agencies with unitary functions.

Social structural reform and social governance modernization needs deepening reforms in government systems and administrative systems as well as appropriate political structural reform. To explore social governance cooperation between Mainland China, Hong Kong, Macao and Taiwan in the form of special zones, we have to, on the premise of adhering to the socialist road with Chinese characteristics, reform the existing administrative ownership and operating modes, as well as the systems and modes for social management and public services; at the same time, we should appropriately advance political structural reform and explore the possibility for separation of ruling power, administrative power and governing power within the special zones to some extent. Such reforms need sufficient imagination: on the premise of adhering to leadership of the Party and the state over the special zone, implement special administrative system within the special zone, explore unitary administrative functions of governments of the special zones, and rebuild governments of the special zones with a focus on social management. We should

try to establish a “small government” in a brand-new sense whose core and even sole function is social management, and return to the central government other functions of governments of the special zones, such as financial taxation, economic adjustments, market supervision, and public security. Governments of the special zones will take full charge of social management affairs within the special zones. Financially, it will implement transfer payment in the full sense. Department of Finance within the special zones, instead of collecting taxes, will only take charge of expenditure. Fiscal budgets and final accounts will be submitted to the National Congress by the central government for approval. We should strictly control the fiscal size of governments of the special zones and take concrete measures to build a “small government”.

Governments of the special zones whose core function is social management are a new type of administrative agencies totally different from other local governments. As special regions, such administrative agencies are not affiliated to any other local government, nor to the central government; instead, they are independent administrative agencies which are responsible to the National Congress. On such a platform, we may have bold conceptions about the new mechanisms for cooperation between Mainland China, Hong Kong, Macao and Taiwan and make active explorations for innovative cooperation mechanism so as to jointly promoting social governance modernization between Mainland China, Hong Kong, Macao and Taiwan.

Second, explore new mechanisms for cooperation between Mainland China, Hong Kong, Macao and Taiwan, and innovate operation mechanisms for social management and public services.

The new system for cooperation between Mainland China, Hong Kong, Macao and Taiwan will take the conceived special zones of independent administrative agencies as a brand-new platform for cooperation between Mainland China, Hong Kong, Macao and Taiwan. Delegations from Hong Kong and Taiwan will be invited to special zones to discuss co-governance issues with local governments and accept the entrustment of the National People’s Congress to co-establish independent administrative agencies in the special zones under the framework of rule of law.

With limited financial resources, governments of the special zones should be bold in innovating modes for social management and operation of public services, make extensive efforts to streamline public organizations, deepen social structural reform, explore market-oriented way of purchasing services, such as entrustment, authorization, outsourcing, bidding, and strive to develop social forces, so as to rebuild the cooperative partnership between the government and the society.

Third, draw on the social management modes in Hong Kong and Taiwan and comprehensively promote social governance innovations.

In the conceived special zones, we will actively draw on the social governance modes in Hong Kong and Taiwan and invite various NGOs in Hong Kong and Taiwan to get involved in the overall design, planning and implementation of the

governance system for special zones. On the basis of introducing and learning from good practices, we will gradually foster a social governance system with Chinese characteristics concerning such aspects as special zone basic-level community governance, industry governance, profession governance, ethnic group governance, religion governance and public welfare. We should strive to develop NGOs of all kinds, relax control on registration of NGOs, encourage all kinds of NGOs and various NGOs in Mainland China and Hong Kong, Macao and Taiwan to set up branches and get active involvement in practices of social governance innovation in the special zones.

We should reform those aspects of existing system which are unfavorable to social innovation, comprehensively rebuild the community-level self-governance, reform and convert public institutions and people's organizations within the special zones into NGOs which can be registered and supervised on a unified basis, and promote all social innovative and practical activities including social enterprises, venture philanthropy and micro public good.

The conception of "special zones for social governance" is to explore the possibility of conducting in-depth cooperation in social governance modernization between Mainland China, Hong Kong, Macao and Taiwan under the framework of "One Country, Two System". At present, such a conception only remains at the imaginary stage, in which, either its names, orientations, conditions, or contents, strategies and operational possibilities are too coarse to stand up any further scrutiny. However, we sincerely hope this conception can arouse concern and attention from all parties concerned, especially those farsighted personnel from Mainland China, Hong Kong, Macao and Taiwan. It is expected that these personnel can follow on and participate in the joint efforts to perfect this conception and help expand cooperation between Mainland China, Hong Kong, Macao and Taiwan, so as to contribute to the social development in these regions and modernization of social governance of the Chinese nation.