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On the Modernization of Cross-Jurisdictional Regional Economic Rule of Law — Taking the Guangdong-Hong Kong-Macao Greater Bay Area as the Entry Point

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Abstract

Since the launch of the construction of economic regions such as the Guang-dong-Hong Kong-Macao Greater Bay Area (GBA), propositions including region-al economy and regional economic rule of law have attracted considerable at-tention. As a cross-jurisdictional economic region, the GBA features differences among various entities in terms of legal systems, economic policy formulation, and supervision of economic activities. How to coordinate the economic devel-opment of different regions through the rule of law has become the primary is-sue for the GBA's development. The regional economic rule of law in the GBA should establish an inclusive legal system, balance the interests and legislative powers of various entities, thereby ensuring the gradual implementation of co-ordinated regional economic development. It is also necessary to promote the regional economic legal system guided by the philosophy of "Community with a Shared Future for Mankind," so as to provide a reference for the construction and connection with global economic law in the future.

Keywords

Cross-Jurisdiction; Regional Economic Rule of Law; Guangdong-Hong Kong-Macao Greater Bay Area (GBA); Modernization of the Rule of Law

1. Practical Dilemmas of Cross-Jurisdictional Regional Economic Rule of Law

The GBA comprises nine cities in mainland China, the Hong Kong Special Administrative Region (HKSAR), and the Macao Special Administrative Region (MSAR). Compared with the world's three major bay areas, the GBA possesses unique cross-jurisdictional characteristics and advantages. These characteristics necessitate that the construction of the GBA's economic legal system fully considers differences among various subjects in legal systems, economic policies, and industry self-regulation and supervision. How to grasp the characteristics of each jurisdiction in the GBA from a holistic perspective has become a practical dilemma in building the GBA’s economic legal system.

1.1. Divergent Legal Systems Across Jurisdictions

The Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area issued by the CPC Central Committee explicitly identifies the opportunities and challenges faced by the GBA in terms of legal systems. Thanks to China’s pioneering "One Country, Two Systems" policy, the mainland adheres to the socialist legal system, the HKSAR follows the common law system, and the MSAR adopts the civil law system—endowing the GBA with the distinctive feature of "One Country, Two Systems, Three Legal Systems."

Pursuant to the authority granted by the Basic Law of the Hong Kong Special Administrative Region of the People's Republic of China and the Basic Law of the Macao Special Administrative Region of the People's Republic of China, the HKSAR and MSAR retain their original laws except those conflicting with the Basic Laws, and are vested with independent judicial power and legislative power. The SAR governments enjoy autonomous powers in supervising economic activities, drafting economic policies, and formulating economic laws. The GBA’s regulatory framework must fully account for legal differences between the mainland and the SARs. Thus, balancing legislation across the three jurisdictions and achieving effective legal alignment have become primary issues in constructing the GBA’s legal system.

Academic circles hold diverse views on addressing this issue, with three main approaches proposed: aligning laws across jurisdictions through cross-jurisdictional cooperation agreements; establishing a GBA regional law; and adopting a legal system combining "soft law" and "hard law."

Tu Kai (2023) argues that the relationship between the mainland, Hong Kong, and Macao can be categorized into two dimensions: the administrative subordination relationship of "Central Government – SARs" and the economic cooperation relationship of "Mainland – Hong Kong/Macao." Given the "Central Government – SARs" administrative framework, few national laws apply in the SARs, and the conditions for applying national laws are stringent. Therefore, the GBA’s regulatory framework and governance structure should be based on the "Mainland – Hong Kong/Macao" relationship, with cross-jurisdictional cooperation agreements and supporting documents as the core to build the GBA’s regulatory system [[1]].

Chang Huan & Yuan Zheng (2022) contend that differences in legal systems serve as the basis for the coordinated adjustment of legal systems. Even in the San Francisco Bay Area and New York Bay Area of the United States (under "One Country, One System"), conflicts exist between federal and state laws. Given the varying legal environments and systems across GBA cities, all cities should prioritize the goal of coordinated regional economic development, and regional governments should negotiate to reach consensus and formulate regional legislation [[2]].

Shi Youqi & Chen Kexiang (2019) point out that both soft law and hard law fall within the scope of "law" and can serve as legal bases for GBA governance. Although soft law and hard law are intertwined, they are not mutually exclusive. Soft law can effectively compensate for the shortcomings of hard law in governing public affairs and give full play to its role in regulating society. A regulatory system featuring the parallel application of soft law and hard law can promptly respond to new issues arising in the governance process [[3]].

However, reviewing the history of economic cooperation between the mainland and the SARs, such cooperation has long been negotiated in the name of the Central Government and the HKSAR/MSAR, relying primarily on normative documents and cooperation agreements. Cooperation agreements between the mainland and the HKSAR/MSAR are signed bilaterally, and no multilateral agreements involving the mainland, Hong Kong, and Macao have yet been established. Additionally, the Guangdong Provincial Government is a signatory to the Framework Agreement on Deepening Guangdong-Hong Kong-Macao Cooperation to Promote the Development of the Greater Bay Area. How to holistically balance the legislative authority and functional positioning of the Central Government and the Guangdong Provincial Government in the GBA, and achieve legal alignment across jurisdictions, remain unresolved issues for the GBA. It is also worth reflecting on whether traditional economic cooperation models based on normative documents and cooperation agreements can meet the needs of regional economic reform and the implementation of the GBA's economic development philosophy.

1.2. Divergent Economic Policies Across Jurisdictions

Economic policies are the driving force behind the reform and development of economic activities. The interest balance reflected in economic policies profoundly influences the direction of market development and reform. Government policies significantly shape the confidence of operators, investors, and citizens in society and the economy. The HKSAR is renowned as an international financial and trade center. A review of its annual fiscal budgets reveals that the HKSAR's economic policies prioritize the development of the financial and trade sectors to safeguard its status as an international financial and trade hub.

Take the HKSAR's 2022-23 Budget as an example: the budget offers a half-rate tax concession (based on the 8.25% tax rate) for offshore trading and proposes that the Legislative Council amend regulations to provide tax exemptions for family investment management entities, aiming to enhance the confidence of foreign enterprises and investors [[4]]. Although the budget mentions deepening and expanding connectivity with the mainland and advancing high-quality development of the GBA, its provisions on Hong Kong-mainland affairs primarily focus on cross-border financial investment, expanding the scope of financial products, and appropriately increasing the number of investment entities. No tax relief measures for other economic activities in the GBA are included. Tax preferential policies directly reflect the government's interest balance in economic affairs and its determination and attitude toward economic development.

From the perspective of economic cooperation between the mainland and the SARs, the HKSAR Government, with a high degree of autonomy, is duty-bound to take responsibility for Hong Kong's economic activities and industries. It is also the government's obligation to prioritize the protection of local economic interests when formulating policies. However, policies exert a guiding and leading role in economic activities. Excessive protection of local interests through policies may lead to the formation of local barriers, hindering the HKSAR's effective integration into GBA construction.

1.3. Divergent Industry Supervision Systems Across Jurisdictions

Maintaining economic order relies not only on government supervision but also on the initiative of industry organizations to ensure stable order and protect industry interests. Economic sectors in different jurisdictions have unique characteristics, leading to the emergence of region-specific industry practices, industry supervision systems, and administrative supervision systems.

Take the financial sector as an example: the mainland adopts a "One Commission, One Bank, One Administration" regulatory framework (with "One Commission" referring to the National Financial Regulatory Administration, "One Bank" to the People's Bank of China, and "One Administration" to the State Administration of Foreign Exchange). The establishment of the National Financial Regulatory Administration marks China's gradual shift from separate supervision to unified supervision. While the MSAR has a Monetary Authority, it has not established a local financial market. Its administrative supervision and industry self-regulation systems are relatively less developed than those of the HKSAR; industry organizations mainly assist in formulating government policies and providing advice.

The HKSAR retains a UK-style financial supervision model featuring industry self-regulation as the core and separate supervision by sectors. Industry self-regulatory organizations play a leading role in Hong Kong's financial supervision: supervision functions are primarily undertaken by industry associations, which manage internal risks and conduct reviews to reduce government intervention and expand the freedom of development in the financial market. Industry organizations also assume greater responsibilities in formulating industry rules and conducting industry supervision, and act as a bridge between the industry and the government. In terms of administrative supervision, the Hong

Kong Monetary Authority, the Insurance Authority, and the Securities and Futures Commission oversee the banking, insurance, and securities sectors respectively, forming a multi-level financial supervision system.

Furthermore, the HKSAR and MSAR have largely retained their original financial systems, which are influenced by the UK and Portuguese financial supervision systems. Both emphasize market freedom and ex-post supervision, but differ in their understanding of supervision concepts, systems, and methods. In contrast, the nine mainland cities in the GBA are deeply influenced by China's traditional financial supervision approach, which prioritizes administrative oversight over civil regulation. Against the backdrop of an incomplete financial supervision and rule-of-law system, the mainland cities place greater emphasis on administrative supervision tools [[5]]. These differences result in varying supervision concepts and systems in cross-border financial cooperation within the GBA, leading to significant discrepancies in handling methods and outcomes across jurisdictions.

Regulatory standards for innovative financial products also differ drastically across the three GBA jurisdictions, which has caused unbalanced development of cross-border financial technology (FinTech) in the region. As an international financial center, Hong Kong's financial system is vulnerable to shocks from external markets. To safeguard Hong Kong's financial market order, its financial supervision adopts a risk prevention standard of "no explicit supervision means no permission," setting stringent access thresholds for innovative financial products. However, overly strict regulatory standards have led to "common problems" seen in mature economic markets: relatively high innovation risks, long return cycles for benefits, and weak capital attraction for innovative businesses [[6]].

In contrast, the mainland vigorously promotes financial reform and innovation, adopting relatively relaxed regulatory standards for innovative financial products. Some regions have launched pilot financial system reforms to provide preferential policies and effective support for financial innovation. For instance, Shenzhen has become a pilot city for the People's Bank of China's FinTech innovation supervision and has fostered a range of financial innovation products—such as the successful completion of external controllable tests for digital renminbi and the securitization of intellectual property rights. Its FinTech innovation and development speed has surpassed that of Hong Kong.

Evidently, the three GBA jurisdictions exhibit stark differences in industry regulatory standards, supervision concepts, innovation levels, and acceptance of innovation. Differences in supervision systems, driven by varying levels of economic development across jurisdictions, have become a constraint on the GBA's development. How to promote effective communication among regional industry supervision systems and balance the development of economic activities in the GBA has become a key consideration for GBA construction.

2. Promoting Regional Economic Rule of Law: The Inevitable Vision for Coordinated Development of All Entities in the GBA

2.1. The GBA's Regional Economic Rule of Law is an Extension of the "One Country, Two Systems" Policy

Affected or constrained by various economic, political, social, cultural, and even geographical factors, there are undoubtedly differences of varying degrees in the development of the rule of law across different regions [[7]]. The core of the rule of law lies in the strict enforcement of scientific laws. The implementation of regional economic rule of law must clarify the legislative entities of regional laws and address vertical legal issues [[8]]. The GBA's regional economic rule of law must start with the legal system, clarifying a series of issues such as legislative authority and legal drafting entities through legal systems.

By sorting out existing laws and cooperation agreements, the relationships involved can be divided into two categories: the administrative management relationship between the Central Government and the SARs, and the economic cooperation relationship between the mainland and Hong Kong/Macao. From the perspective of the "Central Government – SARs" administrative relationship, it is based on laws such as the Constitution and the Basic Laws. The Central Government has the obligation to supervise and manage the SAR governments, and this constitutes an administrative subordination relationship. From the perspective of the "Mainland – Hong Kong/Macao" economic cooperation relationship, the mainland has long engaged in economic cooperation and exchanges with Hong Kong and Macao through normative documents such as cross-regional cooperation agreements. The GBA's economic rule of law needs to proceed from both the administrative management relationship and the economic cooperation relationship, and build a GBA legal system with the parallel development of "hard law" and "soft law."

2.1.1. The "Central Government - SARs" Administrative Relationship

Strictly speaking, the administrative relationship between the Central Government and the SARs is a vertical administrative management relationship between the central government and local governments, which mainly relies on mandatory "hard law" such as the Constitution and the Basic Laws. Local governments have the obligation to implement the Central Government's policies and formulate implementation rules that are compatible with central policies. The SAR governments have the obligation to participate in and jointly advance national policies and strategies. Although the SARs enjoy a high degree of autonomy, their legal systems and policies need to be coordinated and adjusted to promote national strategies. To avoid the emergence of local protectionism, the Central Government should proactively play its role in sorting out and coordinating the interests and relationships of various regions. The construction of the GBA’s rule of law should be led by the Central Government, which formulates basic laws for economic activities in the GBA through top-level design, while local governments coordinate and cooperate in adjusting local systems. From a legislative perspective, the Central Government needs to establish the implementation of regional economic law through the National People’s Congress, while also considering the high degree of autonomy of the SARs under the "One Country, Two Systems" policy. However, the Central Government’s establishment of basic rules for regional economic activities in the GBA through "hard law" is actually consistent with the "One Country, Two Systems" policy. The reasons are as follows: (1) As a national strategy, the construction of the GBA requires local governments to cooperate and make adjustments; (2) The GBA’s regional economic laws regulate economic production relations occurring within the GBA, rather than adjusting economic activities within the SARs themselves, so there is no conflict between the two. Compared with the traditional cross-regional cooperation agreements between the mainland and Hong Kong, regional economic laws can address systemic issues in the GBA’s economic development, ensure maximum freedom of economic activities and stability of market order, and are more forward-looking and universal

2.1.2. The "Mainland – Hong Kong/Macao" Economic Cooperation Relationship

Compared with other regional economies, the GBA has a unique economic cooperation relationship between the mainland and Hong Kong/Macao, which means that policy coordination in the GBA cannot be solely based on the leading relationship between the Central Government and local governments.

The economic cooperation relationship between the mainland and Hong Kong/Macao has long been maintained through normative documents such as cross-regional cooperation agreements, with the main signatories on the mainland side being the Guangdong Provincial Government and various central ministries and commissions. The cooperation content between the mainland and the SARs is basically addressed on a case-by-case basis, and the content generally only proposes targeted bilateral cooperation agreements for a specific industry, service, or technology. However, this approach tends to overlook issues such as the stability of market order behind industries and services, as well as adaptability in market reforms. Secondly, the hierarchical effectiveness of normative documents is lower than that of laws: they are binding on administrative entities such as governments in various fields but not mandatory, and their binding force relies on the voluntary implementation of administrative entities. This overlooks the leading role of social entities in economic activities, resulting in the failure of binding force to truly cover economic activities. Additionally, the content of normative documents tends to ignore the configuration and connection of administrative supervision behind the relevant services and technologies, which may lead to functional gaps in the documents.

As a pilot for regional economic development and reform, the GBA’s future development will involve production relations and economic activities that far exceed the current situation. If the GBA’s legal system is built on a case-by-case basis, it will suffer from fragmentation and lack of compatibility, making it difficult to align with the GBA’s development philosophy. However, cooperative agreements in the form of "soft law" cannot be abandoned. Soft law can serve as a supplement to the GBA’s economic legal system, making up for the deficiencies of "hard law" in public governance and industry supervision, as well as filling gaps that "hard law" fails to address in a timely manner.

By examining the administrative management relationship and the economic cooperation relationship, it can be seen that the GBA is built on the "One Country, Two Systems" policy. The "One Country, Two Systems" policy and the GBA’s rule of law are "two sides of the same coin"—they are not opposed to each other, but rather complementary and progressive.

2.2. Coordinated Regional Economic Development is a Breakthrough for the Leapfrog Development of All Entities

The regional characteristics of economic development are determined by the inherent laws of economic development, manifested in the historical evolution of the spatial structure of regional economies and the unbalanced development of regional economies [[9]]. Against the backdrop of a sluggish global economy, volatile international financial markets, rising global trade protectionism, and escalating China-US trade frictions, China is facing a bottleneck in economic development. The HKSAR’s economic growth lacks stability, relying heavily on traditional industries such as finance, resulting in an unbalanced distribution of economic resources and industrial rigidity. With the rapid economic development of regions such as Singapore, the HKSAR’s advantageous position in the global financial industry has gradually declined. The MSAR has a single economic structure and limited development resources, with its economy mainly relying on the gaming and tourism industries, leading to insufficient driving force for the development of other industries. Restricted by global trade protectionism, issues such as overcapacity, imbalance between supply and demand, and lack of economic growth momentum have gradually emerged in the Pearl River Delta region.

Regional economy refers to the distribution of the national economy within the territory (various administrative regions, urban agglomerations, or economic zones) and is a microcosm of the national economy. The total economic output of various regions constitutes the total national economic output. Regional economy is the product of the long-term development of social labor based on regional division of labor [[10]]. The economic factors influencing regional economic development include regional economic strength, market conditions, resource supply conditions, labor supply conditions, and urban infrastructure conditions. The geographical scope of the GBA overlaps with that of the Pearl River Delta strategy, which has laid a solid foundation for the urban infrastructure and market supply conditions of the GBA cities. In terms of resource supply and labor supply conditions, the consensus on economic cooperation between the mainland and the SARs has been basically established through years of economic cooperation and development. Since the establishment of the GBA, the total economic output of all entities in the GBA has increased significantly, effectively addressing issues such as industrial rigidity and the flow of production factors in various regions.

Take 2020 as an example: against the backdrop of the suspension of manufacturing and trade worldwide and the rising sentiment of protectionism, the market and industrial advantages of the GBA stood out. The demand for building materials and furniture produced in China in overseas markets increased, leading to a significant growth in orders from foreign enterprises. The number of international trade freight services in the GBA increased significantly, transporting a large number of industrial chain materials and daily necessities, and playing an important role in stabilizing the international supply chain during the special period. Secondly, due to the severe global pandemic, developed and developing countries have increased their money printing policies to stimulate the global economy despite high debt levels, which has seriously caused the bubble of international assets. Among the world’s five major reserve currencies, China’s national debt yield is high, showing a certain degree of risk aversion in the international currency market [[11]]. As the world’s largest offshore RMB market, Hong Kong has attracted a large amount of foreign exchange investment, driving the GBA to gradually become an effective "safe haven" for international capital. Various conditions in a region are an integrated whole that restricts and interacts with each other; only through comprehensive coordination and mutual supplementation can regional advantages be formed. Favorable conditions for production and development in a region do not equate to actual advantages; they can only be transformed into regional advantages when aligned with the overall national strategic goals [[12]]. The prospect of coordinated regional economic development is far greater than the independent economic development of individual entities. Cooperative regional economic development can effectively leverage the economic advantages of various regions, forming a high-quality economic layout with complementary advantages.

2.3. The GBA is a Leader in Connecting Regional Economies to the Global Market and Competing in the International Market)

After the text edit has been completed, the paper is ready for the template. Duplicate the template file by using the Save As command, and use the naming convention prescribed by your journal for the name of your paper. In this newly created file, highlight all of the contents and import your prepared text file. You are now ready to style your paper. Focusing on the world and looking to the future has always been the fundamental principle and foothold of China's economic development strategy over the years. Against the backdrop of China-US strategic economic competition and the economic downturn in the United States and the Eurozone, China has signed a number of international cooperation agreements, such as the Regional Comprehensive Economic Partnership Agreement (RCEP) and cooperation under the "Belt and Road" Initiative, bringing new opportunities for China's economy.

As one of the "engines" of the global economy, China adheres to peaceful development and coordinated development to drive developing countries around the world, and gradually establishes a global integrated regional economy. The International Monetary Fund (IMF) released the World Economic Outlook Report and the Global Financial Stability Report, in which the IMF predicted that global economic growth would slow down by 2.8% and 3% in recent years [[13]]. In these two reports, the IMF recognized China's internal economic resilience and external regional economic capacity, believing that China's role in driving global economic recovery is achieved through institutionalized channels such as the "Belt and Road" Initiative and active participation in multilateral economic platforms such as RCEP, making China's role in boosting the global economy more stable and effective. International organizations have highly recognized China's strategic deployment of regional integration. At present, the global economic system lacks a clear leader, and the role of actors such as China and the European Union is gradually strengthening. China shoulders the responsibility of enhancing the soft connectivity of development policies, international rules, and standards, and maintaining the stability of industrial and supply chains. The world needs to gradually improve and perfect a new international political and economic order that safeguards human security, peace, development, equality, and inclusiveness [[14]]. As a "window" for the development of China's regional economy and regional rule of law, the GBA shoulders the responsibility of driving global economic recovery. It should strengthen institutional opening-up, expand the opening-up and alignment of rules and standards, increase the layout of the service market, formulate and export international rules, and actively promote the compatible development of international rules and standards. It should gradually strengthen connectivity with the global economy and promote economic globalization and integrated regional economic development.

With the development of economic globalization, China has advocated the construction of an inclusive, open, mutually beneficial, and win-win international environment based on the concept of "Community with a Shared Future for Mankind," demonstrating China's determination to safeguard the global economic order and the development of "economic globalization" [[15]]. Under the development of economic globalization, regional economic development has been closely linked to the economies of various countries.

Under the influence of economic globalization, the GBA’s economy and regional legal system will gradually connect with the global economy and global economic law, moving towards convergence. Therefore, building an inclusive regional economic law is not only necessary for coordinating regional economic development, but also lays the foundation for future connection with the global economic legal system.

3. Building an Inclusive Regional Economic Legal System to Ensure the Operation of Regional Economic Rule of Law

As a departmental law most closely linked to economic system reform, economic law possesses the modern legal attribute of actively participating in market economy governance, and thus should respond to regional economy, an important component of the modern market economy [[16]]. As a subset of regional rule of law, regional economic rule of law shares the commonality of government governance in accordance with the law, while also having the uniqueness of free market development. Maintaining the order of the economic market through the rule of law is a scientific experience summarized from the course of China’s market economic system reform. The legal system is the foundation for the existence and operation of the rule of law system [[17]]. The effective operation of regional economic rule of law relies on the guarantee of the legal system, and building a regional economic legal system is also a response to social and economic needs. The quality of legal elements is usually an important indicator for measuring the rationalization and scientization of laws [[18]]. The regional economic legal system should maintain a balance between government supervision and the free development of the economy, take into account the interests of social, market, and regional entities, and coordinate various factors such as economic policies, transaction practices, and regional development differences among different parties. Against the backdrop of differences in various factors, an inclusive legal system can effectively respond to economic and social needs, clarify the GBA’s economic development goals and order from the perspectives of legal concepts, legal purposes, and value orientations, and lay a solid foundation for long-term development.

3.1. Inclusiveness of the Regional Economic Legal System

As mentioned earlier, regional economic rule of law is an extension of the "One Country, Two Systems" policy, and the Central Government should regulate the GBA’s regional economic activities through top-level design. Due to the differences caused by cross-jurisdictional characteristics, inclusiveness should be regarded as the development concept of regional economic rule of law. Inclusive rule of law refers to building a socialist country under the rule of law, improving the legal system in various aspects such as market economy, democratic politics, social management, and protection of citizens’ individual rights, and using rule-of-law thinking and modern rule-of-law concepts to coordinate the development of politics, economy, society, and culture [[19]]. From the above concept, it can be deduced that regional inclusive rule of law refers to the exchange and integration of legal systems among various regions, enabling various entities to reach a regional legal system through consultation and communication, reach a consensus on differences in economic development status and dispute resolution, and gradually establish a compatible regional legal system.

From the perspective of the GBA’s economic development status, the GBA has problems such as unbalanced economic development, rigid economic industries, and over-reliance of economic activities on developed cities. It is necessary to use the concept of inclusiveness to mobilize developed cities in the GBA to drive underdeveloped cities in industrial transformation and other economic development efforts. From the perspective of the current status of GBA cooperation agreement signing, there are a large number of economic cooperation agreements between the mainland and the SARs, with different signatories. Therefore, it is necessary to summarize the existing economic cooperation agreements through the concept of inclusiveness and gradually build a compatible and adaptable regional economic legal system. From the perspective of economic activity concepts, the three regions have independent industry supervision standards and industry dispute resolution mechanisms, and no unified economic dispute case assistance mechanism has been established among the three regions. Therefore, further exploration of the construction of the GBA’s economic dispute mechanism is also needed. Therefore, the implementation of the GBA’s regional economic rule of law should take the inclusive legal system as the core to play its role, so as to achieve sustainable development

3.2. The Purpose of the Regional Economic Legal System: "Coordinated Development" of All Entities in the GBA

The purpose of law refers to the fundamental goal that should be followed and achieved in adjusting social relations, reflecting the nature of law. The purpose of the regional economic legal system reflects the ideal state of regional economic law and the goal of regional economic development, and its role is to regulate the development of economic activities within the region. The Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area requires strengthening the alignment of policies and rules among various regions, and emphasizing the innovation and coordination of the overall economy. The purpose of the regional economic legal system should be to enable entities in various fields to collaboratively realize the vision of common regional economic development, reach a consensus on issues such as market, social entities’ economic policies, economic interactions, and dispute resolution in various fields, and form a basic order that is compatible with the development interests of economic activities in various fields. At present, the policies of various entities focus on their own economic advantages in their respective fields, ignoring the alignment of economic policies with other entities, and lacking overall legal adjustments and constraints on the policies of various regions, resulting in the phenomenon of "the strong becoming stronger" in the GBA’s economy. The regional economic legal system should fully consider the policy and economic differences among various entities, and clearly define the coordinated development of various entities as the purpose of the regional legal system, so as to achieve coordination in regional systems and economic activities

3.3. The Value Orientation of the Regional Economic Legal System: "Maximizing Regional Interests"

The value orientation of law plays a role in selecting social effects and value goals. In the course of regional economic development, interest conflicts are inevitable problems in common economic development. The maximization of regional economic interests refers to measuring interest conflicts from the perspective of the region as a whole, and viewing gains and losses in terms of overall regional development and regional economy. The original intention of building a regional economy is to drive underdeveloped cities through developed cities in the region, achieve coordinated urban and rural construction, and realize complementary advantages in the economy. In the construction of regional economy, it is inevitable that entities will suffer losses due to the loss of economic interests within their jurisdictions or industrial transformation. By clarifying the value orientation in regional economic development through the legal system, the basic economic activity order within the region can be defined, and the retaliatory actions of various entities against those who have obtained interests through other means in interest disputes can be prevented.

3.4. Coordination and Balance of All Entities in the GBA by the Central Government to Ensure the Right to Speak of All Entities

The signatories of the Framework Agreement on Deepening Guangdong-Hong Kong-Macao Cooperation to Promote the Development of the Greater Bay Area include the Guangdong Provincial Government, the National Development and Reform Commission, and the governments of the two SARs. As the first multi-party cooperation agreement signed for the GBA’s construction, its effectiveness and implementation effect have a profound impact on the future economic cooperation forms and development of the GBA. Balancing the legislative power of various entities is an important foundation for ensuring the sound development of the GBA’s legal system.

The GBA’s regional economic rule of law requires a solid legal foundation, and all entities need to implement the basic concepts and principles of the GBA. Among the nine mainland cities, the Shenzhen and Zhuhai Special Economic Zones (SEZs) have legislative power , while the remaining seven mainland cities can only formulate relevant implementation rules in accordance with higher-level laws. The Shenzhen and Zhuhai SEZs have achieved rapid economic development, while the economic development of the other cities is relatively backward, leading to internal economic gaps and differences in the level of the rule of law within the GBA. From the perspective of the mainland and the SARs, there are differences in the level of economic development and the perfection of the legal system among the three regions.

The principles of the GBA's construction emphasize the coordinated development and overall consideration of various regions, and also require a "qualified" entity to supervise and coordinate the construction of the GBA. From the perspective of hierarchical management, both the Central Government and the Guangdong Provincial Government have the authority to govern the nine mainland cities. From the perspective of financial jurisdiction, except for the SEZs whose finances are directly managed by the Central Government, the finances of other cities are managed by the Guangdong Provincial Government. However, from the perspective of understanding economic activities and geographical location, the Guangdong Provincial Government has a deep understanding of regional economic development, economic transaction practices, and market order. It also has unique advantages in balancing the economic interests of the nine mainland cities and developing their economic advantages, and can also reduce administrative costs. Therefore, the Guangdong Provincial Government should exercise the power to lead the rights and obligations of the nine mainland cities. However, power has the tendency to expand, and it is necessary to prevent the abuse of power through checks and balances. Therefore, the Guangdong Provincial Government should take the lead in establishing a joint legislative mechanism for GBA economic affairs to ensure the legislative power and right to speak of various regions in the GBA's construction.

In terms of balancing legislation in the GBA, full consideration should be given to the legal balance between the Guangdong Provincial Government and the SARs. The HKSAR and MSAR only have legislative power over affairs within their respective jurisdictions. The SARs and the Guangdong Provincial Government both have legislative power over GBA affairs and are in a parallel position. During the construction of the GBA, conflicts with the economic interests within the jurisdictions of various entities will inevitably arise. To ensure the long-term development of the GBA, a third party for interest coordination must exist. From the perspective of management relations, the Central Government has the obligation to manage and coordinate. Reviewing the course of China's economic cooperation and development, the Central Government has rich experience in coordinating cross-regional cooperation affairs with the SARs and other countries. Based on the above two relationships, the Central Government can fully coordinate legislative conflicts in the GBA from a holistic perspective, control the overall interests, and coordinate conflicts in local interests.

3.5. The Regional Economic Legal System Should Develop Towards

Model Laws and Uniform Law

The biggest obstacle to the legal coordination of the GBA is the inconsistency of legal systems among regions. At present, no judicial cooperation mechanism for economic disputes or cross-border dispute resolution mechanism has been established between the mainland and Hong Kong/Macao, resulting in entities in the GBA still governing disputes based on the place of jurisdiction or the place of contract signing. This leads to differences in dispute adjudication results and other problems, hindering the progress of the GBA's regional economic development. Reviewing other bay areas, they also face the same problem of regional legal conflicts, and China can learn from the experiences of other countries. As a federal country, the United States has the San Francisco Bay Area and the New York Bay Area, and adopts model laws to resolve legal conflicts. A model law empowers governments to decide whether to make changes with reference to the model law based on their own interests, and has advisory and optional applicability. Whether local governments adopt the GBA's regional economic legal system to resolve legal conflicts and issues related to economic interests within their jurisdictions will serve as a preliminary transition method to promote the coordination of the GBA's regional economy and systems.

The legal effect of the model law lies in driving the gradual coordination of the legal systems and economic development of the three regions. As a non-mandatory law, it should be formulated by the Central Government. However, as the legal systems of the three regions gradually coordinate and the prototype of the GBA's economic legal system is gradually formed, local governments can formulate uniform laws on regional economy on this basis, clarify regional economic law, and provide clear and uniform legal norms for domestic and foreign institutions and individuals conducting economic activities in the GBA.

With the continuous deepening of China's economic system reform, China's economy has shifted from a stage of high-speed growth to a stage of high-quality development. The importance of regional economic development has become increasingly prominent. The GBA should build an inclusive legal system to provide rule-of-law guarantees for the sustainable development of the regional economy, thereby leveraging the advantages of the "One Country, Two Systems" policy and accelerating the realization of a mutually beneficial and win-win regional cooperative bay area. The development of the GBA's legal system should focus on the world and the globe, and with the scientific development of the region, promote the global economic rule of law under the concept of "Community with a Shared Future for Mankind."

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