

# ***Legal Cooperation and Conflict Resolution Mechanism in Guangdong-Hong Kong-Macao Greater Bay Area***

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**Abstract:** The Guangdong-Hong Kong-Macao Greater Bay Area (GBA) is an important strategic region for China's economic development. The coordination and integration of its legal system plays a key role in realizing the economic, social and cultural integration in the region. However, as Hong Kong, Macao and Guangdong belong to different legal systems and social systems respectively, the differences between the legal systems lead to frequent conflicts of laws and hinder the coordinated development in the region. Based on the constitutional and legal foundations, historical and cultural backgrounds of Guangdong, Hong Kong and Macao, as well as the practical experience of Guangdong, this paper analyzes in detail the main challenges facing the current legal collaboration and conflict resolution mechanism in the GBA. These challenges are mainly reflected in the imperfect legislative design, the inadequacy of legal protection, and the unclear legal remedies. Through in-depth discussion of these issues, this paper proposes specific ways to establish a legislative coordination mechanism, formulate a unified substantive law, develop diversified relief channels, and ensure the equal application of law by residents of the three places, with a view to optimizing the legal cooperation and conflict resolution mechanism of the GBA, so as to provide a solid legal guarantee for regional stability and prosperity. The research in this paper not only provides a new perspective for understanding the complexity of legal integration in the GBA, but also puts forward feasible suggestions for deepening regional legal cooperation in the future.

**Keywords:** Guangdong-Hong Kong-Macao Greater Bay Area, legal cooperation, conflict resolution mechanism, legal integration.

## **1. Introduction**

The Guangdong-Hong Kong-Macao Greater Bay Area (GBA) is a key initiative for China's economic and social development, aiming to boost international cooperation and competitiveness. This region includes nine cities in Guangdong Province, along with Hong Kong and Macao, each with its own distinct legal, economic, and social systems. These differences create significant challenges for integrating the region's legal frameworks, which are essential for smooth economic, social, and cultural development.

The GBA operates under "one country, two systems, and three legal domains", with Hong Kong following common law, Macao adhering to civil law, and mainland China under a socialist legal system. These differences often lead to conflicts and difficulties in creating a unified legal framework

across the region. Additionally, legislative processes are fragmented, with Hong Kong and Macao having independent legislative powers, while Guangdong's powers are more limited, making it hard to address cross-border legal issues effectively.

In the research on legal collaboration and conflict resolution mechanisms in the GBA, Zhu Guobin noted several legislative shortcomings, including a dominance of administrative over legislative collaboration, blurred boundaries between laws and policies, lagging legislation in Hong Kong and Macao, and unequal treatment between mainland and Hong Kong/Macao residents [1]. Li Xia identified challenges such as conflicts and legal barriers due to the "one country, two systems, three legal systems" framework, a lack of clear legal basis for integration, and resistance in local legislation [2]. Liu Yunsi pointed out difficulties in collaborative legislation across multiple jurisdictions, including inadequate legislative guarantees, a lack of judicial assistance mechanisms, and insufficient public participation [3].

Therefore, on the basis of the existing research, this study will further explore the main challenges faced by the construction of legal cooperation and conflict resolution mechanism in the GBA. Starting from three aspects of legislative design, legal protection and legal relief, the dilemma will be analyzed and the optimization path will be proposed to promote the process of legal cooperation and integration in the GBA. The paper is structured as follows: after this introduction, the second part discusses the foundations of legal cooperation in the GBA, the third part analyzes the challenges, and the fourth part proposes solutions. The paper concludes with a summary of findings and future recommendations.

## **2. Foundations of Legal Integration in the GBA**

### **2.1. Constitution and Legal Basis**

The legal collaboration and integration within the GBA is fundamentally supported by the Constitution and relevant legal frameworks. The Basic Laws of the Hong Kong and Macao Special Administrative Regions (HKSAR) serve as the constitutional documents that grant these regions a high degree of autonomy, while ensuring national sovereignty, security, and developmental interests. These laws provide stability and continuity to the legal systems of Hong Kong and Macao, explicitly stating that their legal systems will remain unchanged under the "one country, two systems" framework, which forms the constitutional foundation for legal cooperation among the three regions.

China's accession to the WTO in 2001 laid the groundwork for trade cooperation among Guangdong, Hong Kong and Macao on the basis of "closer systems and unified rules". The WTO agreements on trade, intellectual property, and services have facilitated legal alignment and policy coordination among the three areas, reducing legal conflicts and frictions. Additionally, the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA) and its counterpart with Macao have established legal frameworks for bilateral trade and investment, service trade liberalization, and standardization, further deepening legal and economic cooperation across the GBA.

Moreover, the Outline of the Development Plan for the GBA, along with other laws and regulations issued by the central government, has provided a clearer legal framework and set objectives for the GBA's development. For instance, the Outline emphasizes the need to support Hong Kong and Macao in integrating into the nation's broader development and leveraging their unique roles in China's comprehensive opening-up, thereby offering policy support and legal guarantees for cooperation among the three regions. These legal documents not only provide policy support for legal collaboration in the GBA, but also provide clear guidance for cooperation in legal practice among all parties.

## 2.2. Historical and Cultural Foundations

Guangdong, Hong Kong and Macao share deep historical and cultural roots, with residents of these regions embodying traditional Chinese virtues and humanistic values. This common cultural foundation has facilitated legal cooperation, as the people of Guangdong, Hong Kong, and Macao exhibit similar living habits, values, and respect for the rule of law, allowing for smoother understanding and application of laws across the three regions.

Historically, Guangdong, Hong Kong, and Macao have served as key gateways for China's engagement with the world, fostering long-standing economic, cultural, and legal exchanges. The rapid advancements in technology and transportation have further strengthened interactions among residents, leading to increasingly close economic and cultural ties. Today, they continue to be a vital platform for China's ongoing openness to the global community. Residents of the three places maintain frequent economic and cultural exchanges, such as business cooperation, educational exchanges and cultural activities, which have enhanced mutual understanding and trust among residents of the three places and provided favorable conditions for legal cooperation and integration.

The cultural and historical background shared by the three places in the GBA helps to lower cultural barriers and improve the efficiency of legal collaboration. For example, Cantonese, as a common language bond, has further facilitated exchanges and understanding among residents of the three places. In this context, the promotion of legal collaboration is conducive to providing a stable and harmonious environment for the rule of law, thereby enhancing regional competitiveness in the international arena.

## 2.3. Rich Experience in Guangdong

Guangdong has accumulated rich experience in legal construction, reform and innovation, which provides important reference for legal cooperation in the GBA. As a frontrunner in China's reform and opening up, Guangdong has carried out numerous pioneering experiments in the areas of economy, law, and social governance, offering valuable insights and experience for the rest of the country.

The Pearl River Delta region in Guangdong has close economic ties with Hong Kong and Macao, and the legal cooperation mechanism is relatively complete. For example, free trade zones such as Nansha in Guangzhou, Qianhai in Shenzhen and Hengqin in Zhuhai have made active exploration in legal innovation and cross-border legal services. These areas have achieved remarkable results in establishing cross-border arbitration mechanisms, setting up cross-border legal service centers, and promoting the docking of laws and regulations, providing replicable and extendable experience for legal collaboration in the GBA.

In the Nansha Free Trade Zone, the GBA International Arbitration Center has been set up to handle cross-border commercial disputes and provide efficient and fair arbitration services for enterprises from the three places. Shenzhen Qianhai has actively brought in Hong Kong legal talents and institutions in cross-border legal services to promote the internationalization of legal services. In addition, Hengqin New Area is exploring a new model of cross-border legal collaboration through close cooperation with Macao. These practical experiences have not only improved the level of legal services in the region, but also provided empirical support for the improvement of legal cooperation mechanisms.

In promoting the construction of the GBA, Guangdong has actively promoted the development of the legal service industry, attracting a large number of international legal service institutions to provide efficient and professional legal services for enterprises in the region. This has not only raised the level of legal services in the region, but also promoted the continuous improvement of legal cooperation mechanisms. For example, Guangdong province has introduced a series of innovative

legal services, such as the GBA Legal Services Alliance, which aims to strengthen cooperation among law firms in the three places and provide comprehensive legal services to cross-border enterprises.

### **3. Challenges in Legal Cooperation and Conflict Resolution**

#### **3.1. Gaps in Legislative Design**

Guangdong, Hong Kong, and Macao each operate under distinct legal and social systems, reflecting the "one country, two systems, three legal domains" framework. Hong Kong follows the Anglo-style common law system, Macao adheres to the continental law system, and mainland China has developed a socialist legal system with Chinese characteristics [1]. According to the Basic Law of the HKSAR, these regions possess executive, legislative, and independent judicial powers, including final adjudication, allowing them to exercise a high degree of autonomy. However, these differences in legislative authority present challenges in regional cooperation, particularly in areas such as economy, finance, customs, litigation, and arbitration. While Hong Kong and Macao enjoy broad legislative powers, Guangdong Province's legislative authority is more limited, complicating the creation and implementation of laws for regional cooperation and making coordination more difficult [4].

In addition, there are many legislative bodies involved in the GBA and their differences are large. With the amendment of the Legislation Law, the number of relatively independent legislative bodies in the GBA has increased to 12, including various legislative bodies such as special administrative regions, special economic zones and cities divided into districts [5]. The special economic Zones not only enjoy local legislative power but can also adapt and break through existing laws and regulations through "dual legislative power" [6]. While this complex legislative structure does promote local autonomy to some extent, it also creates challenges of inconsistent laws and makes coordination more difficult.

At present, China has yet to form a mature legislative model for regional cooperation, and the GBA is in the exploratory stage of legal collaboration. This "exploratory" process means that legislators need to constantly sum up experience in practice and find a legislative path suitable for the development of the GBA [7]. This demands not only creative thinking from lawmakers but also a strong focus on coordinating and integrating the laws of the three regions during the legislative process. The goal is to gradually develop a legal system that is well-suited to the region's evolving needs.

#### **3.2. Inadequacies in Legal Protections**

Although the CEPA and its supplementary agreements have opened up 120 sub-sectors of service industries, in practice, these liberalisation measures often lack supporting implementation rules, making it difficult for some provisions of CEPA to be effectively implemented. In addition, many industrial laws and regulations related to various service industries under CEPA have not been adjusted in time, resulting in some provisions of CEPA being in conflict with existing industrial regulations, which has seriously affected the implementation effect of CEPA and its supplementary agreements [8]. If some of the provisions of CEPA are contrary to existing industry regulations, lawmakers should amend the relevant contents of the agreement in a timely manner to ensure that judicial judges can correctly apply the relevant laws. The status of local legislation in the legal system is not clear, and the lack of a comprehensive review and classification mechanism makes it difficult for some local legislative documents to be coordinated with the upper law, which further aggravates the confusion and uncertainty in the application of law [9].

At the same time, the GBA has a single mode of collaborative legislation, which is mainly based on the cities of Guangdong Province absorbing the opinions of Hong Kong and Macao on local

legislation and lacks the interaction and coordination of legislation among Guangdong, Hong Kong and Macao [10]. Due to differences in legislative bodies and powers, legislation in Guangdong Province tends to focus more on local needs, while the views of Hong Kong and Macao are taken into account, but often cannot be fully reflected and implemented in practice. In addition, this one-way mode of legislative absorption ignores the integrity and coordination of regional cooperation. In the GBA, where various cross-border activities and economic links are increasingly close, legislative adjustments in a single place cannot effectively address cross-regional legal conflicts and governance needs. For example, legal issues in areas such as cross-border commercial disputes, financial services and intellectual property protection often involve complex multi-party interests, and it is difficult to achieve cross-border application and enforcement of legal effects by relying on legislative adjustments by only one party. However, due to the lack of in-depth interaction and effective coordination among the three places, the law-making process often lags behind the actual development needs, and it is difficult to foresee and proactively solve potential legal problems.

### **3.3. Obstacles in Legal Remedies**

Due to differences in legal systems and low coherence of rules, legal remedies in the GBA are often not smooth. When legal disputes occur, it is difficult for the parties involved to find suitable relief channels to safeguard their rights and interests. Due to different legal systems in different places, there are big differences in the procedure Settings, evidence requirements and applicable rules of law for cross-border litigation, resulting in cumbersome and time-consuming proceedings and a substantial increase in legal costs. In addition, the enforcement of cross-border judgments or arbitral awards also faces many obstacles, with local courts' limited recognition of judgments in other jurisdictions and insufficient enforcement, making it difficult for parties' legitimate rights and interests to be protected in a timely and effective manner.

Besides, the shortage of legal talents further aggravates the lack of legal relief. There is a growing demand for legal services in the GBA, especially in cross-border legal matters, and compound talents who are well-versed in the laws of the three places are crucial. However, due to the complexity and diversity of the legal systems, talents who can fully master and flexibly apply the laws of the three places are extremely scarce. Most of the existing legal talents are proficient in the laws of a single jurisdiction, which is difficult to deal with the complexity of cross-border legal disputes, which directly affects the quality and efficiency of legal remedies. It is often difficult for parties to find lawyers who understand both mainland law and Hong Kong and Macao law, making it difficult for complex cross-border disputes to be properly resolved.

What's more, the GBA has yet to set up a specialized legal service agency or institution to uniformly handle cross-border legal disputes, seriously restricting the effectiveness of legal remedies. At present, parties in cross-border legal disputes often have to seek help from legal service agencies in three places separately, lacking a unified window to coordinate and handle these disputes. It not only increases the difficulty and cost of the parties seeking legal remedies, but also may lead to information asymmetry between different jurisdictions, thus exacerbating the complexity of legal conflicts.

## **4. Strategies for Optimizing Legal Integration**

### **4.1. Establishing a Coordinated Legislative Mechanism**

The basis of conflict resolution lies in the coordination of legislation, which is not only related to the unity and coordination at the legal level, but also the key to promoting regional economic integration and improving governance efficiency. Through regular consultation between the legislatures of the three places, conflicts and inconsistencies between laws and regulations can be identified and



resolved in a timely manner, and a unified legal framework applicable to the entire GBA can be promoted. It will help reduce the legal obstacles faced by enterprises and residents when operating and living across geographical boundaries, enhance the legal certainty within the region, and provide a solid legal guarantee for the economic development and social progress of the GBA. The legislative coordination mechanism encourages local legislatures to share legislative resources and exchange legislative experience and give full play to their respective professional advantages and regional characteristics. During the consultation process, they can pool their wisdom and jointly study and formulate laws and policies that are more scientific, reasonable and forward-looking, so as to make legislation more targeted and effective.

A unified legal framework and coordinated legislative mechanisms will help enhance the enforcement of laws and enhance their credibility. When the laws of the three places are consistent, law enforcement and judicial bodies can have a clearer legal basis when handling cross-regional cases, reduce law enforcement difficulties and miscarriages of justice caused by legal differences, and enhance public trust and support for the legal system. A business environment rooted in the rule of law is crucial for the GBA to attract foreign investment and foster innovation. The legislative synergy mechanism will help remove market barriers, reduce business operating costs, improve market access and provide a fairer, transparent and predictable legal environment for businesses and investors in the GBA, thus stimulating market vitality and creativity.

The establishment of a special collaborative legislative body or working group led by the Standing Committee of the provincial People's Congress can ensure the orderly and efficient progress of collaborative legislative work. The collaborative legislative body should set up an information sharing platform to gather laws, regulations, policy documents and judicial cases from the three places for reference and use by all parties. Members of the agencies should jointly study and formulate laws and policies that address the special needs of the GBA, such as in cross-border trade, financial cooperation and environmental protection, to ensure the forward-looking and applicable laws and reduce conflicts of laws and difficulties in implementation. This top-level design and coordination mechanism can effectively solve difficulties and problems in the process of collaborative legislation, avoid conflicts of local interests, and promote the smooth realization of regional coordinated development goals.

## **4.2. Implementing Unified Substantive Laws and Diverse Relief Mechanisms**

In the process of exploring the construction of a legal framework for the coordinated development of the GBA, the formulation of a unified substantive law applicable to the entire GBA is a key step in resolving legal conflicts. A unified substantive law can provide clear and unified legal guidance for the complex and diverse economic and social activities in the region, thereby reducing conflicts caused by legal differences. A comprehensive review and comparison of existing laws in the GBA should be conducted to identify legal differences and conflicts. On this basis, a unified substantive law should be formulated to cover many areas such as commercial affairs, labor and environmental protection. The formulation of the unified substantive law needs to draw on advanced international experience while taking into account the actual situation of the GBA to ensure fairness, justice and operability of the law. The effective implementation of the unified substantive Law requires giving it national coercive force through the legislative process, and establishing a sound supervision mechanism to ensure a high degree of consistency at the level of law enforcement across the region and avoid regional differences in the application of law.

However, a single litigation model has its limitations when dealing with complex economic disputes, so it is necessary to develop multiple relief mechanisms. Promoting the integrated use of multiple dispute resolution channels, such as litigation, mediation, and arbitration, can not only comprehensively safeguard the rights of the parties involved but also enhance the efficiency of dispute resolution and conserve judicial resources. Adopting the international approach of prioritizing

mediation and combining it with adjudication could be particularly effective in the GBA. By making mediation the initial step in dispute resolution, parties can be encouraged to reach settlements through the guidance of professional mediators, which not only eases the judicial burden but also swiftly restores social harmony. Additionally, improving the arbitration institutions in the GBA, enhancing the professionalism and international standards of arbitrators, and strengthening the authority and enforceability of arbitral awards will make arbitration a key mechanism for resolving cross-border commercial disputes. Communication and collaboration among different relief mechanisms such as litigation, mediation and arbitration should be strengthened, and mechanisms for rapid conversion and connection should be established to ensure that parties can quickly turn to other effective channels when blocked at any link, so as to achieve full chain coverage and efficient operation of dispute resolution.

### **4.3. Ensuring Equal Legal Protections Across Regions**

To effectively resolve conflicts of law in the GBA, it is necessary to ensure equal application of the law among residents of the three places. An efficient and accessible cross-border legal aid system should be established to offer residents of the three regions prompt and professional legal services, ensuring the protection of their legitimate rights and interests.

First, an efficient and convenient legal aid system framework should be established. Integrate legal resources from the three places, and establish a unified legal aid information platform. The platform should integrate functions such as legal consultation, case acceptance, legal aid application and progress inquiry, and update data online and offline simultaneously to ensure that residents can easily access legal help. At the same time, modern scientific and technological means such as cloud computing and big data should be used to realize case information sharing and intelligent analysis, and try to achieve the same case and judgment, so as to improve the accuracy and efficiency of legal aid services. To optimize the allocation of legal aid personnel to ensure that a sufficient number of professional lawyers and legal workers are available to cover all parts of the GBA. To enhance the professionalism and service capability of the legal aid team through regular training, exchanges and seminars. In addition, a legal aid service quality evaluation mechanism has been established to encourage excellence and ensure the continuous improvement of service quality.

Second, introduce and optimize the system of people's assessors. The introduction of the system of people's assessors can enhance the democracy, openness and transparency of judicial trials, and help promote judicial justice. In the context of legal collaboration in the GBA, the system has become an important bridge connecting residents of the three places and enhancing mutual understanding and trust. Establish a scientific selection mechanism to ensure that the selected people's jurors not only possess basic legal literacy, but also can represent a wide range of social groups. In particular, it is necessary to attract outstanding talents with professional backgrounds (such as university teachers) to participate, so as to enhance the professionalism and authority of case hearing. In line with the principle of proportionality, it is essential to ensure that people's assessors are selected from three places, with their numbers proportionally allocated. Additionally, a robust supervision mechanism should be established to ensure that people's assessors participate in trial cases in strict accordance with the law and regulations. The work performance of people's assessors is evaluated and fed back through regular assessment and social evaluation.

## **5. Conclusion**

This paper explores ways to optimize the legal cooperation and conflict resolution mechanisms within the GBA. As a key driver of China's economic development, the GBA's success depends heavily on the coordination and unification of its diverse legal systems, which are crucial for achieving economic,

social, and cultural integration in the region. However, the differing legal systems across the three regions have led to significant legal conflicts, posing major obstacles to the GBA's development. This paper proposes a range of specific measures to enhance legal cooperation and address these conflicts effectively.

Firstly, the establishment of a legislative coordination mechanism is crucial. By creating a permanent cooperative legislative body and encouraging regular exchanges among the legislatures of Guangdong, Hong Kong, and Macao, inconsistencies and conflicts between laws can be effectively addressed. Secondly, adopting a unified substantive law and developing a diversified dispute resolution mechanism are essential to managing complex legal conflicts in the region. A unified substantive law will offer clear legal guidance for economic and social activities, reducing disputes arising from legal differences. Additionally, methods such as mediation and arbitration should be expanded to resolve conflicts more efficiently and amicably. In addition, ensuring the equal application of laws by residents of the three places is an important measure to realize the integration of regional rule of law. An efficient and convenient legal aid system should be established to provide residents with timely and professional support when legal issues arise. Enhancing the people's assessor system will also make the judicial process more transparent and increase the credibility of judicial decisions.

In short, the optimization of the legal cooperation and conflict resolution mechanism in the GBA requires ongoing collaboration among government, judicial bodies, and other stakeholders. By improving legislative coordination and ensuring equal legal application, the GBA can realize the coordination and unification of laws, and promote regional economic integration and harmonious social development.

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