Analysis on the Development Trend of Contemporary Local Governance Mode from the Perspective of Economic Policy and Environmental Capacity Optimization

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Abstract

As the basic level of national governance, local governance is deeply influenced by administrative tradition, political system and economic development level of a country. With more than thirty years of reform and opening up, the pattern of local governance has become diversified. The diversity of governance model cannot be managed in the same way, however, it cannot affect the government's ability to play the initiative role of governance. We need to innovate and improve the existing local governance models.

Keywords: Development Trend, Economic Policy, Environmental Capacity Optimization, Contemporary Local Governance Mode.

Introduction

At present, there are many forms of local governance in our country, such as rational type, ideal type, understanding type, and so on. From the perspective of value orientation, the different management methods can be summarized into three types: problem oriented, demand oriented, and will oriented.

- Problem-oriented governance is to reform several local problems.
- Demand-oriented governance focuses on people's needs, social needs, and the needs of the times.
- Will-oriented governance originates from the will of local core actors and the will of the people which can affect the value orientation of local governance.

Objectively speaking, these governance basically belongs to the local, technological changes, but there is no deep reform inside the system. Any social economy, politics, culture, social system, all need appropriate management way to keep the vitality of the society and maintain social stability and balance. Douglas C North, a famous new economic historian and new institutional economist in the West, once said, institution is a series of rules that have been made out of the rules, the law of the process and the moral code of conduct. That means, the institution consists of three parts, namely, informal constraints, formal constraints and implementation mechanism. Informal constraints are the formation of people's unconscious in the long term, which constitute a part of culture, including values, ethical norms, moral values, customs and habits, ideology, etc. Formal constraints are a set of policy rules created by people's consciousness, including political rules, economic rules and contracts.

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In the local governance, the pluralistic model and the multiple system coexist in the reform, both of them exist together, mutually permeate, and mutually influence. Institutional diversification forms the unique institutional space of our country's local governance, objectively speaking, local core actors can make full use of their abilities. However, if the power of the manager is too large, they will abuse their authority, resulting in governance distortions.

With the perfection of the democratic system and the perfection of the rule of law, the government and the management organization are the fundamental motive force to promote the local governance development. Therefore, a complete local governance system is important to managers and our government. Institutional perfection requires external conditions of integrity, which cannot expect the ultimate normalization of pluralistic models. However, diversified management model cannot affect the government's ability to play the initiative role of governance, this situation requires structural innovation in existing governance models including public opinion import, relationship adjustment, function change, technical rationality, behavior standardization, and so on.

![Figure 1. Local Economic Management System.](image)

### Framework to stimulate health sector’s contribution to economy

<table>
<thead>
<tr>
<th>Suppliers</th>
<th>Care providers</th>
<th>Insurers</th>
<th>Consumers</th>
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<tr>
<td><strong>Private sector (increase revenue/GDP)</strong></td>
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<tr>
<td>Encourage local investment and FDI in biotech and medical technology R&amp;D</td>
<td>Enable offshore delivery models (e.g., telemedicine, teleoncology)</td>
<td>Innovate the private health insurance business model (e.g., health savings accounts, superannuation funds)</td>
<td>Develop medical tourism in Australia</td>
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<tr>
<td><strong>Public sector (increase productivity/efficiency)</strong></td>
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<td>Commercialise support for local medical research</td>
<td>Outsource public hospital integrated care operations to the private sector</td>
<td>Commercialise public payment scheme operations</td>
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<td></td>
<td>Create trading arm for selected public health services</td>
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### The Proposed Methodology

**Environmental Economic Policy.** Environmental economic policy refers to the law of value, the use of prices, taxes, credit, fees, insurance and other economic means to regulate or affect the behavior of the market players in order to realize the coordinated development of economic construction and environmental protection. Under the market economy system, the market mechanism is mainly depended on the market mechanism to adjust various behaviors. In the field of environmental protection, the market failure is more obvious, which requires
government intervention. The experience of developed countries shows that the establishment and implementation of environmental economic policies is the best way for government to intervene in environmental protection. Because, environmental economic policy can be a good combination of economic development and environmental protection, in order to achieve the coordinated development.

Environmental protection involves all aspects of the socio-economic, and many studies have shown that environmental protection requires the use of administrative, legal, economic, technical, educational means. According to economic theory, environmental problems are products of external diseconomies, such as contaminants. In order to solve environmental problems, we must start from the root of environmental problems, through a series of policies and measures to improve environmental issues.

The stimulating effect of environmental economic policy is: stimulating the market economy through the implementation of environmental economic policies. Governments need to establish appropriate economic and sustainable development policies to deal with current problems. Through the implementation of environmental economic policies, governments can raise a certain amount of funds for environmental protection and sustainable development. Environmental economic policies can effectively combine environmental protection behavior with socio-economic and coordinate the relationship between these two parts.

![Figure 2. Global Economic Policy.](image)

Developed countries have summed up a conclusion from their economic development and environmental protection process, that is, the economy depends on the marketing and the environment depends on the government. Using fiscal policy to support and promote environmental protection is an important way to ensure the implementation of economic policy. Developed countries attach great importance to the use of fiscal policy in order to support and
promote environmental protection work. The fiscal policy in the environmental economic policy mainly includes:

- Green tax policy.
- Fiscal investment policy.
- Fiscal and credit policy.
- Ecological compensation policy: Beneficiaries compensation and Developer compensation.

Environmental Capacity Optimization. The world is facing a serious challenge to environmental problems. Environmental pollution and ecological damage have already brought serious adverse effects to the development of social economy and people's life. The urban environment is the material base and condition of human being engaged in social economic activities, and is one of the important support systems for urban formation and sustainable development. With the implementation of national environmental policies and economic policies, environmental capacity research has become the basis for determining pollutant emissions. We need to capitalize the resources and use economic means to control environmental pollution.

Environmental capacity is no longer purely natural purification capacity, it also includes human purification activities. Environmental capacity has six characteristics, finiteness, objectivity, stability, changeability, controllability, periodicity, regionalism. The urban environmental capacity is composed of a number of urban environmental factors, such as land, population, industry, pollution and so on. Environmental capacity is no longer the inexhaustible natural resources, but a scarce resource.

Urban environmental factors include the various elements of the natural environment, such as atmosphere, water, soil, biology, etc., and also include a variety of social and environmental factors, namely, industry, agriculture, population, transportation. The capacity of the city for various activities is limited, if exceeded, the ecological environment will be out of balance. Urban environmental capacity is a branch of environmental capacity research, which refers to the maximum capacity of a city. Cities are the most concentrated space for human activities and the core of regional development. Therefore, the city is the region where the interaction between human and natural environment is dense, human not only through their own existence to influence the environment, but also through conscious social labor to process and transform the natural environment. There are some use limits of urban elements, such as land capacity, water capacity, industrial capacity, building capacity, population capacity, space capacity, traffic capacity, pollutant capacity and so on.

Land capacity is an important component of urban environmental capacity. Broadly speaking, the land environmental capacity refers to all activities occurring in the city which are limited by land. In a narrow sense, land environmental capacity refers to the maximum available land area in a city.

The impact of human activities on the environment is multifaceted, in which the population is the most important, and the most fundamental factor. Due to rapid population growth, the quality of human living environment is decreasing for many years, and ultimately endangers the social environment. Cities are densely populated areas, it is necessary for us to study population environmental capacity. Population Environmental capacity refers to the maximum number of people that can be maintained under certain environmental conditions, determined by natural environment, social environment, living places, economic conditions and other factors.
Industry is the main form of human activities in the city, which is an important factor affecting the urban environment. The size of the industry is affected by land use, resource supply, and environmental capacity. Among these factors, environmental capacity is unchangeable, thus we have to control the use of resources, in order to avoid environmental hazards.

Natural environment capacity refers to the amount of pollutants that can be accommodated by the environment, which is inseparable from the natural environment's self-purification capacity.

![Figure 3. Social Economy affected by Environmental Capacity.](image)

**Conclusion**

With more than thirty years of reform and opening up, the pattern of local governance in our country has become diversified, and the social situation requires structural innovation in existing governance models. In the local governance, the pluralistic model and the multiple systems coexist in the reform, both of them exist together, mutually permeate, and mutually influence. With the perfection of the democratic system and the perfection of the rule of law, the government and the management organization are the fundamental motive force to promote the local governance development. However, many economic policies proposed by governments are imperfect, therefore, we need to innovate and improve the existing local governance models. In this paper, we try to figure out the development trend of contemporary local governance mode based on social economic policy and environmental capacity. We analyze the impact of economic policy and environmental factors on local governance model, and discuss how to strengthen the local management through economic policies and environmental factors.

**References**


