

Contractualised Governance: An Analysis of the Internal Logic of "Private Cities" in Achieving Industry-City Integration

-- A Rational Choice Institutionalism Perspective

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Abstract: China's urbanisation development consists of various forms of management bodies, among which the 'private city' led by enterprises is an innovative path of urbanisation development, and Chengdu Jiaolong Harbour selected in this paper is one of the representative cases. The enterprise acts as the 'housekeeper' of the area, while the government transfers the rights of land use, income, planning and public governance to the Jiao Long Group, and the two sides determine the power allocation and responsibility boundaries by contractual relationship, forming a contractual governance. Based on this, this paper analyses the theory of rational choice institutionalism, puts forward three internal logics of government-enterprise cooperation, and makes a risky outlook on the future development of 'private cities'.

Keywords: Private cities, Cooperation between Government and Enterprises, Rational Choice institutionalism.

1. Put Forward the Problem: Private City Is an Innovative Form of Urban Development

In the traditional concept of urban management, the government as the leader, beneficiaries and operators is its most typical characteristics. With the continuous development of marketization, the form of urban development has gradually evolved into a variety, such as government management, enterprise management, village management and so on, and the diversified urban form development is also in line with the evolution trend of the dynamic mechanism of urbanization development in China. [1] The urbanization of our country shows the dynamic evolution in time, which has experienced the transformation from the unified planned economy to the dualistic dynamic mechanism of the decrease of national coercive factors and the gradual increase of market factors, and then to the continuous enhancement of opening to the outside world and the transformation of the pluralistic mechanism of the overall multi-development. [2] The specific factors are considered to be related to transaction costs, industrialization, capital-driven, marketization, institutional change, public policy and so on. [3, 4, 5] Take the transaction cost as an example, when the rural population, funds and information gather to the city, it involves a large number of property rights restructuring, contract signing and the transaction costs associated with it. [6] How to reduce transaction costs has become a different form of urbanization choice.

No matter what the form of urbanization develops, its final development orientation is to realize the integration of industry and urban function and spatial integration.[7] In order to realize the ideal pattern of "promoting the city by production and rejuvenating the city with the city". The traditional path of urbanization in our country is the "urban management" of "professional manager", that is, it is led by the government to operate the land, culture, ecology and other

elements within an administrative area as capital, and constantly expand the scale of development to build a modern city. However, because some governments lack the experience of industrial operation and urban management, it is often difficult for the government to focus on all kinds of interests of park residents, nor can it accurately identify the market signal, and even appear "empty city", "ghost city" and other resources idle, easy to fall into the predicament of separation of production and city. In the world of scarce resources, efficiency is one of the core goals of society. The "private city" led by enterprises has become a feasible scheme for the integration of industrial cities in China. Different from the government-led urban development, "private city" refers to the decentralization of land use rights, income rights, planning rights, public governance rights and other powers, the task of urban building "outsourced" to the professional market subject, forming a new industrial city assisted by the government and led by enterprises. This model meets the requirements of China's "double cycle" economic development plan, and can give full play to the advantages of social capital, optimize the mode of cooperation between government and enterprise, and alleviate the pressure of government governance. [8] Jiaolong Port in Chengdu is particularly outstanding.

In the construction of Jiaolong Port, the enterprise-led development zone reflects the advantages of efficient social exchange under the market logic. Under the strategy of rapid industrialization, Jiaolong Port aims at the difficult problem of developing liquidity and procedures for small and medium-sized enterprises, and gives full play to its own advantages of technology and capital, which provides great convenience for industrial construction. On this basis, the professional advantage of market allocation resources also enables Jiaolong Group to identify the painful points of industrial park construction and constantly avoid the shortcomings of urban construction. At the same time, the sustainable development of industry needs to retain residents, with the urbanization construction of urban prosperity and market-led allocation of

resources to provide methodological guidance for the realization of industrial and urban integration. In Jiaolong Port Park, it covers enterprises, residential buildings, commercial cities, schools, vegetable markets, substations, flood control systems, sewage treatment plants and other infrastructure, forming a small "private city" led by enterprises. Behind the cooperation between government and enterprise, it originates from the fact that the government and enterprises, as rational people, see the interest relationship brought about by the cooperation mode of "private city", and guarantee the boundary of power and responsibility, income risk and so on based on a series of contractual systems. Therefore, with the help of rational choice institutionalism theory and taking Chengdu Jiaolong Industrial Port as an example, this paper attempts to analyze the internal logic and behavior mode of contractual governance in the construction of "private city" by the government through "power change and empowerment".

2. Rational Choice Institutionalism and the Explanatory Framework for the Realization of Private Cities

2.1. The Basic Thought of Rational Choice Institutionalism

As one of the three schools of contemporary political science, new institutionalism is a middle-level theory that combines institutional analysis with behavioral analysis by taking the element of "institution" as the core, opposing both the macro-functional perspective and the overly micro-behaviorist perspective. Since March and Olson put forward the establishment of a political theory with "institution as the core" in 1984, the research path of new institutionalism has gradually begun. New institutionalism has been developed in different disciplines, and a variety of new institutionalism schools have been formed based on the characteristics of different disciplines. Among them, the triple method of Hall and Taylor is the most recognized by the academic circles, that is, the new institutionalism is divided into three schools: historical institutionalism, rational choice institutionalism and sociological institutionalism.

Rational choice institutionalism, as one of the important schools of new institutionalism, is developed on the basis of abandoning the theory of rational choice and drawing lessons from the new institutionalism of economics. The basic topic of rational choice institutionalism is how individuals or individual organizations choose in the political field or public life, so as to obtain the expected good results. Rational choice institutionalism tends to adopt the research paradigm of "rule-procedure-calculation" to carry out the relevant institutional research, and borrows the basic conceptual framework of rational person hypothesis, property right, transaction cost and so on in economics to develop its own analytical framework. In the course of the development of rational choice institutionalism, rational choice theory is the source of its theory. The basic problem of rational choice theory is how individuals or individual organizations choose in public life, so as to obtain the expected good results. The model is based on rational assumptions, constraint forms, strategic activities and equilibrium results [9]. With the development of rational choice theory, this kind of atomization method, which ignores the system and only pays attention to the individual, gradually exposes the malpractice, and if it is used in the voting

behavior of the United States Congress, there will be "Arrow's impossible law". Therefore, the consideration of the system began to be focused, and the new institutional economics theory was absorbed and integrated. It can be said that the sustainable development of new institutional economics is the background of the birth of rational choice institutionalism. Among them, the school of public choice follows the emphasis of rational choice theory on election activities and market activities, focusing on the political consequences caused by the tendency of self-interest, defining the system as various rules with strict normative forms that actors can choose as options, and absorbing concepts such as property rights, rent-seeking, transaction costs and so on. The application of new institutional economics to transaction cost and limited rationality affects the understanding of rational choice institutionalism on the cornerstone of reason, choice theory and institutional evolution. The institutional analysis of rational choice scholars with economic background attaches particular importance to the institutional structure and contract form of transaction activities. Then, with the rise of new institutionalism, people's attention to the context of "system" has been recalled again, and rational choice institutionalism was born.

In our country, the research of rational choice institutionalism is mainly divided into two categories. The first is to explore the theory itself and pay attention to its birth path [10], methodology [11], institutional change [12], salient characteristics [13], institutional paradigm [14], shortcomings and so on, this part of the research is mostly through the return to the evolution history of rational choice institutionalism to analyze the content of the theory, in which Ma Cedar of Jilin University is quite significant in the related research, and has become the pioneer of the development of this theory in China. The second is the practical application of the theory. Because this theory contains the thinking of collective action dilemma, Chinese public management scholars use it to reflect on the predicament of rural governance and urban community governance [15, 16]. In addition, the theory is used to analyze the government's attention allocation [17] Territorial management territorial management [18], voluntary service preferences [19], public cultural services [20]. In the middle. These studies greatly enrich the applicability of the theory in the field of public management in China, and put forward a new direction of thinking through the theory.

2.2. Analytical Framework.

Through the analysis of rational choice institutionalism, we can sum up three remarkable characteristics: first of all, taking "individual" as the logical starting point of political analysis, rational choice institutionalism is based on the premise of "rational person" hypothesis, taking individual egoistic behavior as the basis of analysis, how to realize the maximization of personal utility is the basic motivation of its choice. Secondly, the interaction between system and behavior is the core content of political analysis. Different from the "cultural path" in the historical and social institutionalism, which will analyze the specific situation of the actors, rational choice institutionalism adopts the "calculation path", that is, politics is regarded as the dilemma of a series of collective actions, and the system is the result of solving the collective dilemma between rational actors and the product of rational design. Finally, it takes the economic method as a new perspective to explain the political phenomenon. Rational choice institutionalism adopts a set of

typical economic behavior assumptions to continuously input theories and methods from microeconomics, such as game theory, property right theory, transaction cost theory, principal-agent theory and so on.

In the process of urban management in our country, the emergence of "private city" can not be separated from the government to replace part of the rights to enterprises, to empower enterprises. From the perspective of rational choice institutionalism, the "private city" model, which is led by enterprises and supplemented by the government, is a rational choice considered by both sides. First of all, whether driven by performance assessment or weak administrative forces need social resources to fill the situation, the government chooses to cooperate with enterprises can play a greater role in the limited resources. And enterprises can also continue to break through their own barriers to development in which to obtain greater space for development. Secondly, in the cooperation between the two sides, a series of contracts are adopted as institutional guarantees to restrain the development of behavior. These contracts are not only to solve the contradiction between supply and demand, but also to prevent the occurrence of risks, and then solve the emergence of collective dilemmas. Finally, there is bound to be a series of transaction costs between the government and the enterprise around the economic interests, and this relationship itself also involves principal-agent, property rights and so on. It can be said that this is based on "contractual" public resource governance.

3. "Contractual" Governance: the Way and Analysis of "Private City" Promoting the Integration of Industrial Cities

3.1. "Contractual Governance" of Jiaolong Port in Chengdu.

(1) General situation of Jiaolong Port

Chengdu Jiaolong Industrial Port, founded in June 2000, is the first private industrial park in the country and is currently operated by Jiaolong Group. Jiaolong Port has been built into Qingyang Park and Shuangliu Park, in which Shuangliu Park is the key point of construction. Jiaolong Port Shuangliu Park is located in Shuangliu District outside the West fourth Ring Road of Chengdu, belonging to Jiujiang Street in Shuangliu District. The total area of the park is 4.36km². The resident population is more than 120, 000, and more than 2380 enterprises have been introduced. Jiaolong Port used to be in an ordinary industrial development zone, with obvious deficiencies in infrastructure, public services and all kinds of supporting living facilities, but now the size of the population

and the degree of commercial prosperity are much higher than in other parts of Shuangliu area (as of December 2014, the annual output value of Jiaolong Industrial Port has reached more than 20 billion yuan, with an annual tax payment of 436 million yuan and a resident population of 100000 yuan. The population density is 25000 people per square kilometre, which is much higher than the 7000 people per square kilometre in Shuangliu County).

The infrastructure of Jiaolong Port is all invested by Jiaolong Company. In order to avoid "there is no city", Jiaolong Port will carry out the overall planning and unified use of office and living service land, and has built residential areas and supporting living service facilities for the enterprise staff and workers in the park, such as Jiao long seaside commercial city, vegetable market, cinema and so on. In addition, in order to further improve the quality of life and service of employees in the park, the park is equipped with medical, pension and other services, but also in the park to build its own five-star primary school, to provide compulsory education, and to provide preferential treatment for the children of migrant workers. 110kv substation, flood control system, sewage treatment plant and other industrial infrastructure are also built in the park. With independent creation of Baihe landscape and other urban infrastructure. Now Jiaolong Port, with a strong atmosphere of life and comfortable working environment, has become a "production city as one" of the small city.

(2) Contractual Governance and its Operation Mechanism

In 1999, under the background of rapid industrialization of the country, Huang Yujiao, founder of Jiaolong Group, encountered the problem of the development of small and medium-sized enterprises. At the same time, he also found the opportunity to build 52 mu of farmland into a factory building in Qingyang area to rent out, and then developed into Jiaolonggang Qingyang Park. The park has grown rapidly and paid high taxes to the government. However, due to the policy risk of land violations, the Qingyang District Government no longer gives it new land, and the construction of Qingyang Park is hindered. In 2003, Shuangliu District invited Huang Yujiao to replicate the Green Sheep Model Construction Development Zone, and the two sides established a balance and coordination mechanism of interests in the form of contract: Shuangliu area provided it with the right of agricultural land and construction rights, and Jiaolong Group carried out independent planning and management of the land in a market-oriented manner. Since 2003, the development of Jiaolong Port has not been smooth sailing, its land occupation problem has been on the edge of the law, until the Ministry of Land and Resources inspection, here has been recognized and can continue to develop, and slowly embarked on the road of industrial and urban integration of private cities.

Table 1. Three Scheme comparing

time	Scheme 1	Event
1999	Initial construction of industrial park	Construction of Qingyang Park in Jiaolong Port, Chengdu
2000		High taxes are paid, and the government acquiesces in building factories
2003		When the legal boundary was touched, the construction of Qingyang Park was suspended
2004		Construction of Shuangliu Park in Jiaolong Port, Chengdu
2009	Industrial transformation Urban complex	Undertake compulsory education and provide educational concessions
2010		Centralized treatment of sewage and Innovation of living Water Park
2010		Renovation of Baihe River Ecology and formation of Landscape Promenade
2010		Enrich the life of Hong Kong people and build a cultural center
2010		Building a commercial complex and building a seaside city with characteristics
2010		The Ministry of Land and Resources inspected and was evaluated for the development of demonstration areas
2012		Ensure the safety of the park and build a flood control system
2012		Optimize internal management and set up management committee
2014		Invest in new substations and promote the integration of production and city
2018		Industrial upgrading
2013/2024	Ecological new city	Won the top 500 private enterprises in China for 10 years

In the construction of Shuangliu Jiaolong Industrial Port, Shuangliu Government and Jiaolong Group established the contractual relationship by agreement, and brought the two sides into the framework of the contract. The government has transferred the planning rights and income rights of the area to Jiaolong Group, which has been able to follow the laws of the market, flexibly operate the industrial port, and perform a wonderful show of cooperation between government and enterprises on the land of Jiulong Industrial Port 4km. In 2003, Shuangliu County Government and Jiaolong Group signed an investment agreement, using a clear contractual agreement to clarify the boundary between the powers and responsibilities of the two sides. The agreement clearly states "3"km² the master plan of Shuangliu Jiaolong Industrial Port shall be in line with the master plan of Shuangliu County, and shall be planned and built by Jiulong Industrial Port on its own and submitted to the relevant departments of the county government for examination and record " (the planned area was expanded to 4 in 2007km²). The agreement makes strict requirements for the investment scale and construction objectives of Jiaolong Port, and the "military writ" agreement also makes Jiaolong Group formally assume responsibility. At the same time, Shuangliu County Government also needs to provide Jiaolong Group with tax policy tilt and necessary park services.

There is a multi-party power game behind the fact that Jiaolong Port can be built into a private city. Enterprises change from economic rationality to social responsibility, lighten the loan burden for small and micro enterprises, and pay high taxes to the government at the same time. The government uses "management right" for "right to development" to realize the allocation of residual power. Residents change from "migrant workers" to "citizens" and have the right to speak about urban development.

In the contract, as the "housekeeper" of the park, Jiaolong Group has obtained the planning right and income right of the industrial park. On the one hand, the planning power of Jiaolong Port has been transferred from the government to Jiaolong Group. Jiaolong Group may, to the extent permitted by the agreement, independently determine the distribution of plant, housing, municipal infrastructure and livelihood projects in accordance with its own strategic objectives. With the agglomeration of industry and population, this arrangement can also be adjusted dynamically. On the other

hand, Jiaolong Group has the right to income from the operation of the industrial port. The revenue of Jiaolong Group comes from the rent of factory buildings, office buildings and apartment buildings, while the other part comes from the tax share provided by the Shuangliu government [21]. As a kind of system innovation, tax share provides important support for Jiao long Group to continue to invest in construction, and also effectively motivates Jiaolong Group to invest in infrastructure and livelihood projects in Hong Kong.

However, Jiaolong Group enjoys the leading rights and interests of the industrial park, but also bears the responsibility to the relevant subjects. First, to provide plant services to small and medium-sized enterprises. Jiaolong Group builds a large number of standard plants and rents them at low prices, thus attracting a large number of small and medium-sized enterprises. At the same time, from plant supply to rent concessions, from formalities to property services, Jiaolong Group to meet the needs of many enterprises with complete and flexible services. Second, to provide public services to residents. As the administrator of the park, Jiaolong Group has assumed the responsibility of part of the government, built rental houses in Jiaolong Port, provided basic public services for the "Hong Kong people" in Jiaolong Port, and improved supporting facilities such as roads, sewage treatment plants, water supply, underground integrated pipe corridors and so on. Third, pay taxes to the government. At present, Jiaolong Port has an annual output value of more than 30 billion yuan and pays more than 600 million yuan in tax revenue to the government every year.

3.2. Analysis and Evaluation of "Contractual" Governance in Jiaolong Port.

The construction of "private city" in Jiaolong Port drives the long-term development of the city with institutionalized constraints and norms, which breaks the dilemma of government-led failure and weak urban development, and opens up a new road of contract cooperation and multi-party win-win urbanization.

(1) Resource heterogeneity in market competition is the logical starting point of private cities

Heterogeneous resources are the premise of exchange, which determines the benefit value of exchange. In the development planning of Jiaolong Port, there are differences

in the resources held by the government and social capital, which determines that the two sides can exchange and produce great value. Heterogeneous resources are characterized by value, scarcity, impersonation and substitution [22]. External heterogeneous resources are divided into natural resources, human resources and organizational resources. In the construction of Jiaolong Port, the government has land resources that can be planned and developed, and its resources are scarce and high value for Jiaolong Group. And the enterprise has the capital and the human resources support. Jiaolong Group can make efficient use of land through less funds and professional planning teams, and the two sides can exchange to obtain excess benefits. Endophytic heterogeneous resources are manifested in experience, knowledge, skills and so on. In the development process of Jiaolong Port, the government has the right of urban planning and resource allocation, and gives the policy preference. Enterprises have the experience of grasping the law of the market and the advantages of organization and operation. The resources mastered by the two are independent of each other and are difficult to imitate and replace each other, and the integration efficiency of heterogeneous resources can be brought into play through exchange.

(2) Maximizing the benefit of low transaction cost is the rational Choice of both governments and Enterprises

Based on the value exchange rules of rational reciprocity and collective benefit, each interest subject is more willing to exchange low cost for the maximization of benefits at the time of transaction. The creation of Jiaolong Port is also the result of maximizing the scope and interests of beneficiary groups. In the early stage of Jiaolong Port construction, the game was carried out around the core elements of "land", the stakeholders of both enterprises and the government. In the enterprise-centered contracting model, Jiaolong Port can give full play to its own advantages of controlling residents' information and better understanding of the market, so that the cost of collecting information and concluding contracts can be greatly reduced, so as to achieve the lowest transaction cost. Jiaolong Group undertakes the public service of the park independently, which not only meets the needs of internal production and life, but also dispatches resources independently, which greatly reduces the resistance in the construction. The double-stream government can not only ensure the public welfare of infrastructure and improve the quality of service supply, but also obtain the maximization of local fiscal revenue, taking into account public benefits and their own needs.

(3) Taking the combination of decentralization and empowerment and the coordination of residual rights as the path of action

The power structure of Jiaolong Port embodies the characteristics of the combination of vertical decentralization and horizontal empowerment. The land management right of Jiaolong Port is handed over and sank to the enterprise in the form of contract. At the same time, Jiaolong Group further extends the governance boundary to other governance units of society, which effectively expands the public governance space. Refer to Fama and Jason's classification of control [23]. The control rights in the contract relationship of urban renewal include the right of proposal, the right of planning, the power of examination and approval, the power of execution and the power of supervision. On the one hand, vertical decentralization makes the Shuangliu government

enjoy the right to propose the project, the planning right of the project plan and the execution power of the project under the basic premise of retaining the macro planning right, the examination and approval power and the supervision power. The boundary of the rights of both sides can be clearly defined in the form of contract, breaking the traditional land monopoly, but also breaking the dilemma of land ownership. On the other hand, horizontal empowerment enables small and medium-sized enterprises, enterprise workers, landless farmers and other micro-governance subjects to participate in the governance pattern. For the benefit orientation of maximizing the overall rent of the park, Jiaolong Group will meet the interests of residents as much as possible, so as to stimulate the enthusiasm of the main body to participate. As a result, enterprises and residents can share the right to speak about the construction of Jiaolong Port, and the public interest of the industrial city can also be enhanced.

The contract is incomplete, which gives rise to the problem of residual claim and residual control [24]. The key to the optimal organizational efficiency is the coordination and unification of residual claim and residual control [25]. The government and enterprise of Jiaolong Port have realized the fair distribution of the remaining cooperation through the reasonable allocation of responsibilities between the two sides. The residual control right and residual claim right of Jiaolong Port are unified with Jiaolong Group. At the same time, Jiaolong Group forms a nesting interest division relationship with the government and enterprises, thus reaching an incentive mechanism. On the one hand, the revenue sharing between Jiaolong Group and the government is realized through tax sharing, so that Jiaolong Group can enjoy the rental appreciation income of the park. The two transcend the principal-agent relationship under the complete contract [26]. To the contractual relationship of benefit sharing and responsibility sharing. At the same time, it can also encourage Jiaolong Group to continue to invest in the construction of infrastructure and livelihood projects in the park. On the other hand, Jiaolong Group, enterprises and residents replace the traditional administrative control power structure in the form of rent contract, allowing rent to be adjusted dynamically according to the actual situation, so that the members of the park can share the value-added benefits of the park land. As a result, enterprises and residents can jointly cultivate industrial culture and help urban governance with a high degree of enthusiasm.

(4) Using formal and informal rules to regulate behavior as institutional guarantee

In the construction process of Jiaolong Port, the cooperation between the government and Jiaolong Group is based on the institutionalized constraints and norms. The basis for the rapid industrialization and urbanization of Jiaolong Port is not compulsory administrative power, but a series of contracts signed by multiple subjects. On the one hand, institutionalized authorization can build a bridge between the government and enterprises, establish a transaction cooperation platform, reduce the transaction costs of government-enterprise cooperation through clear property rights, avoid the problems of information asymmetry and low efficiency of resource allocation under the government-led urbanization model, and empower the development of enterprises with the decentralization of government power. On the other hand, institutional incentive can promote the "citizenization" of migrant workers, through the improvement of urban infrastructure and industrial revitalization, to achieve

the transformation of migrant workers to residents. Moreover, the driving efficiency of the commercial complex attracts high-end talents with the ability to consume, thus radiating the development of the whole region and realizing the win-win pattern of mutual promotion between production and cities.

In addition to the formal rules, many hidden rules also affect the decision-making process and implementation results of the organization. The government and Jiaolong Group can achieve equal participation and mutual respect through trust and risk sharing, and improve the quality and effect of park construction in rational dialogue. There are hidden rules such as trust and risk in the construction process of private cities, which, together with the formal rules, shapes the thinking logic and mode of action of the organization. On the one hand, trust and authority are the premise and guarantee of social exchange between the government and Jiaolong Group. Out of trust in the authority and credibility of the government, Jiaolong Group will be willing to sign a contract and accept the supervision of Jiaolong Port planning and construction. Therefore, the trust relationship formed by the two sides can reduce transaction costs and stimulate the internal motive force of the integration and construction of production and city. On the other hand, responsibility and risk are derivatives in the process of "changing power" between the government and Jiaolong Group. The contractual relationship makes enterprises not only enjoy the benefits of urban construction, but also bear the responsibility of urban infrastructure construction, providing public services and perfecting public governance, as well as the risk of loss of production and construction and chaos of social order. The responsibility sharing of enterprises spreads the risk of urban public governance and empowers the construction of industry and cities at the same time.

4. Summary

In the construction of "private city" in Jiaolong Port, private enterprises have replaced the administrative authority of government governance with cooperative contract, which has realized the transformation from barren farmland to new industrial city. The government and private enterprises form the cooperative and mutually beneficial relationship of "resources + contract", and the two sides realize "power conversion and empowerment" under a paper agreement. "Private city" is expected to become a new pattern of new urban construction in the new era, a new cradle of social capital, a new paradigm of cultivating public governance, and a new practice of "society".

In this model, we should also pay attention to the potential risks, and further through institutional means to carry out effective risk management. First of all, it is the concern for social benefits. In the construction of enterprise-led development zone, if the cooperative government and enterprises pay too much attention to the market mechanism, it is easy to lead to the marginalization of social benefits. The government not only faces the moral hazard caused by enterprises in order to seek personal interests, but also may bear the hidden danger of the aggravation of social injustice caused by the theory of economic efficiency. Secondly, it is the illegal risk of the government. In the process of transferring the right of planning and construction, the government also has the possibility of breach of contract. Because the government is in a comparative advantage position when signing the contract, if the relevant regulatory

system is not in place, it will be prone to opportunistic behavior, which will eventually lead to the low efficiency of industrial park construction and the reduction of government credibility. And, the legitimacy of the contract of exchange of rights. Legitimacy is the premise of changing power and enabling. When the interpretation, legitimacy and validity of the contract change, it will bring damage to the normal construction and operation of the project, and even directly lead to the risk of project suspension and failure. Therefore, although the government and enterprises can promote the integration of production and city through contractual governance, the risks need to be further adjusted by both sides of the behavior and the social system, in order to better promote the development of urbanization in our country.

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