

The Costs of Procrastination

By Ma Ngok

Political development in Hong Kong is a collection of paradoxes. The Basic Law (the Chinese legislation that serves as a de facto constitution) promises full democracy but nobody knows when it will be delivered. The Hong Kong people are guaranteed a full set of civil liberties that rival those of western liberal democracies, but are denied the fundamental political right of electing their government. The democrats, who have won a majority of popular votes in all the partial elections since 1991, have been a minority in a legislature that is relatively weak in terms of constitutional power. While civil society is vibrant and freedom of press and speech is largely respected in the territory, most political power, at least constitutionally, is vested in the hands of a Chief Executive (CE) who is not directly elected by the people.

This paradoxical situation brings constant tension to Hong Kong politics. Because the central government has the final say over any constitutional reform, during recent years the public aspiration for full democracy repeatedly has been thwarted by Beijing's intransigence and the opposition of local conservatives. While most in Hong Kong agree that the current political system needs change, constitutional and political constraints mean that major reforms move at a snail's pace, and efforts easily can be vetoed by different political actors.

The difficulty was demonstrated by the failure of a minimally-progressive reform proposal last December. The SAR government thought it was the most progressive formula it could muster under constraints imposed by Beijing and local conservatives, while the democrats still deemed it too conservative to be worth their "yes" votes. Annex I of the Basic Law stipulates that all constitutional reform proposals need a two-thirds majority in the Legislative Council (Legco) before they can be sent to Beijing for approval, but the political reality is that—under the current political situation—no reform proposal can get the support of two-thirds of the political elites who are represented in Legco. The democrats, who hold 25 of the 60 seats, would not accept anything that didn't promise eventual universal suffrage, a position deemed unacceptable by most of the 35 more conservative members.

With this political impasse, the democrats now face hard times when trying to move the system forward. The July 1 pro-democracy demonstration of 2003, which was joined by 500,000 people, did raise their hopes of speeding up democratization and it also put the issue of universal suffrage firmly on the political agenda. However, a decision by the Standing Committee of the National People's congress in April, 2004, which ruled out universal suffrage for both the CE election of 2007 and popular election of the entire Legislative Council (Legco) in 2008, took the wind out of the democrats' sails. Their less-than-satisfactory results in the 2004 Legco elections further put a dent in the drive for democracy.

While repeated opinion polls since 2004 still show that 50% to 60% of Hong Kong people support full democracy by no later than 2012, the political situation became much

less favorable for the democrats. The unpopular Chief Executive Tung Chee-hwa stepped down in March 2005 and was succeeded by the much more popular Donald Tsang. Coupled with a moderate economic recovery following a prolonged downturn, dissatisfaction with the SAR government was much alleviated after 2005. As a result, the democratic movement in Hong Kong has lost momentum and mass mobilization behind the democratic cause has declined. In the short term, the democrats do not have the institutional means or leverage to force the central government to reconsider its position on democracy, or to entice it to engage in some kind of dialogue or negotiation. Though they pledged to continue the fight for full democracy for the elections of 2012, the goal of mobilizing the pragmatic Hong Kong population is difficult at best. The democrats lacked intermediate goals for pushing the movement forward or at least keeping up the momentum.

In this light, the democrats' short-to-medium-term task is to use every political event possible to keep the universal suffrage issue in the limelight and thus maintain pressure on the government. The annual pro-democracy march of July 1 has become a barometer for measuring the public's zeal for democracy and satisfaction with the government, as symbolic as the annual candlelight vigil in Victoria Park to commemorate the Tiananmen crackdown of 1989. Each year the democrats need to find new causes and incentives to bring people onto the streets on July 1 and demonstrate that the desire for democracy has not subsided.

This more or less explains the markedly different attitude of the democrats toward the 2007 CE election. In 2002, they were of two minds about whether or not to field a candidate, and thus did not wholeheartedly contest for seats on the 800-person Election Committee that actually selects the EC, nor did they field a serious candidate to oppose Tung Chee-Hwa, the Beijing choice. Some pro-democracy groups feared that participating in the election would legitimize an undemocratic system. By this year, therefore, the democrats found the political gains of the July 2003 mass rally slipping away, and saw the 2007 CE election as a political opportunity that must be grasped if they are to maintain the movement's sense of forward motion.

Most in Hong Kong believe that Donald Tsang, who has managed to stabilize the situation and help the government's popularity rebound to 1997 levels since entering office last year, will get Beijing's blessing and win the 2007 election hands-down. Past experience shows that, of its 800 members, the 200 elected from business groups, the approximately 150 elected from various social groupings such as labor unions, rural committees and agricultural and fishing associations, plus the 77 National People's Congress (NPC) and Central People's Political Consultative Committee (CPPCC) delegates, usually follow Beijing's preferences closely when casting their votes. Some representatives from the professional sectors also come under heavy influence from the central government, for they don't want to cast votes that might affect their mainland business opportunities. Thus past elections saw Beijing's chosen candidate get at least 600 votes from the 800 EC members. With the electoral system unchanged in 2007, the democrats' realistic goal is not that of winning the election—they never had a chance—but to get support of the 100 members needed as nominators so they can field a rival candidate. That would force the full 800-member EC to cast ballots rather than declare Beijing's choice to be elected by acclamation, as happened in the 2005 CE election to select someone to complete Tung's unfinished term. At that time, Democratic Party Chairman Lee Wing-tat got only 50-plus nominations—not enough to qualify—allowing Donald Tsang to win uncontested.

This means the democrats are trying to wring the maximum political gain from an

election they know they will lose. Their first step is to maximize the number of pro-democracy delegates in the 800-member EC by actively participating in the subsectoral elections at the end of the year which determine its membership. The second step is to find a popular candidate who can attract the support of 100 EC members. There has been much speculation as to whether or not former Chief Secretary Anson Chan will run against Donald Tsang in the 2007 election. Since late 2005, she repeatedly has appeared in pro-democracy rallies and given verbal support to rapid transition toward full democracy. She is also the one Hong Kong political figure who has a popularity rating as high as that of Donald Tsang.

The democrats are hoping for two possible beneficial scenarios. If they can field a candidate who can cross the 100-nominator hurdle, they can at least engage in an electoral contest with Tsang. They know that they would have next to no chance of victory, but their candidate could put forward a comprehensive election program and force Tsang into high-profile and meaningful policy debates about how to govern Hong Kong. This would serve to put forward the democrats' platform, keep the political debate alive and show the public that they can offer a viable alternative to the current non-elected regime.

The second scenario is that the democrats field a highly popular candidate but one who fails to collect 100 nominations. That would expose the system as one that remains very tightly controlled by Beijing, further eroding its legitimacy, and providing extra impetus for reform in 2012. For example, if the highly-popular Anson Chan cannot even get the support of 100 EC members as nominators, the Hong Kong public would be forced to ask: "to what extent is this system representative?"

Questioning the legitimacy of the system is one thing, moving it forward is another. As of 2006, Beijing sees no immediate need to permit rapid political reform in Hong Kong, much less grant full democracy. For China's leaders, the situation has been stabilized under Donald Tsang, with both government popularity and economic indicators rebounding soundly since 2005. Beijing officials also remain extremely skeptical of the potential impact of rapid democratization. They are afraid it would bring instability, allow foreign powers to influence local politics and have spillover effects on the mainland. Hong Kong democrats are not engaging in Taiwan-like separatism—there is no talk of independence—but since the 1990s they have been running on platforms of resisting Beijing's intervention. Differences on major issues, including Tiananmen and democratization, and the lack of formal dialogue for years have created great mistrust between the two sides. It is difficult to persuade Beijing leaders that permitting fully democratic election of the Chief Executive would not bring even greater confrontation between the central government and the SAR.

The political impasse also puts the SAR government in a difficult situation. Repeated rallies in support of democracy put perennial pressure on it to carry out reforms that would bring Hong Kong closer to the stated constitutional goal of universal suffrage. With more and more Hong Kong people agreeing that democratic reform is needed, the issue of universal suffrage has become Tsang's Achilles' heel, as he must get Beijing's nod before any reform package can press ahead. More importantly, the political impasse is a constant reminder that the government has a legitimacy problem, and this weakens its capacity for reform in many policy areas.

The current debate over the possibility of imposing a Goods and Services Tax (GST) is a case in point. Tax reform has been in the air ever since the SAR government faced significant budget deficits following the Asian financial crisis of 1997. It then began

considering use of the GST to broaden the tax base, and thereby reduce reliance on profits tax, salary tax and proceeds from land auctions. By 2006, with the worst economic years behind them, government officials thought the public would be more likely to accept imposition of a sales tax. The government also offered to reduce salary and corporate profits taxes as bait for attracting support from the middle class and the business sector. However, as soon as public consultation started, nearly all political parties declared their opposition to the GST, with no significant social and political group supporting it.

The parties' rationale is simple: the GST taxes nearly everyone and, because no party has a chance to become the governing party in the foreseeable future, none are willing to pay a political price by supporting an unpopular new tax. Under the current executive-dominant system, whatever economic or financial benefits GST might bring in the future would give credit only to the government. But if there is negative fallout from the new tax, any party in Legco that supported it would face punishment from its electorate. As no party has a share of executive power, they all usually strive for the most populist position and in this case chose to oppose the tax.

After the big demonstrations of 2003, for fear of arousing mass protests, controversial and fundamental reforms were put on the backburner by the SAR government. For example, although the public health care system is in serious deficit, the government failed to put forward new proposals to finance it. The controversial West Kowloon cultural and recreational district has been delayed for an indefinite time. The tax system awaits reform, the gap between rich and poor is growing as the population is aging rapidly, but the government generally remains loath to undertake fundamental changes. Because any reform that involves major distributional effects will be hugely controversial, the government seems to lack the self-confidence or sense of legitimacy needed to devise solutions.

This ruling strategy is not tenable. Delaying fundamental reforms can buy time and maintain temporary stability, but eventually will damage Hong Kong's development. Similarly, the 2004 NPC verdict only served to delay the issue of universal suffrage beyond 2007/08; the democrats will continue to demand universal suffrage in 2012, and if rebuffed, for 2016, 2020 and so forth....embroiling Hong Kong once again in major political debates. All these unsolved social and political problems will return to haunt the SAR's governance. The basic political problem of democratic reform must be solved before Hong Kong can settle down to discuss all the bread-and-butter policy issues that remain unresolved, plus more fundamental questions about its future direction. ■

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