

# DEMOCRACY IN HONG KONG NEEDS A RULING COALITION

By Regina Ip Lau Suk Yee

A decade after Hong Kong's reversion to China, and following an Asian financial crisis, Hong Kong's economy has bounced back with a robust growth rate of 6.5% predicted for the year 2006. Unemployment dropped to 4.5% and the most visible barometer of economic buoyancy, the stock market's Hang Seng Index, reached an all time high on November 16. Yet strong governance remains elusive. Major infrastructure projects are at a standstill. The Chief Executive was accused of skirting basic social, economic and constitutional problems in his Policy Address to the Legislative Council (Legco) in October 2006. Legco's annual ritual of refusing to thank the Chief Executive for his Policy Address is a powerful reminder of the executive branch's lack of support in the elected legislature. What went wrong? If the system is broken, how can it be fixed?

## Hong Kong's Current State of Democratic Development

Hong Kong's democratic development has a short history. The democratization process started only in 1980 at the district level, after then-Governor Sir Murray MacLehose learned during his visit to Beijing in 1979 that there was no likelihood of extending British rule beyond 1997, when its lease on much of Kowloon and the New Territories was due to expire. Indirect elections to Legco were held in 1985, followed by direct elections in 1991. Today, half of its 60 members are directly elected while the others are chosen by voters in functional constituencies, such as the education and legal professions. Advocates directly electing the Chief Executive and the entire Legco as early as possible, in 2012, see universal suffrage as the answer to Hong Kong's governance problems. But their espousal of elections at whatever cost not only ignores the need to put in place a political infrastructure to ensure a functioning democracy, but also overlooks the wider need for institutional adjustment and social reconstruction to foster Hong Kong's continued vigorous development in the 21<sup>st</sup> century.

## Forces Driving Hong Kong's Evolution

The key forces driving Hong Kong's evolution in the 21<sup>st</sup> century are as follows:

- 1) Hong Kong's new constitutional status as a Special Administrative Region (SAR) of China, with promise of a high degree of autonomy in which "Hong Kong people rule Hong Kong" as outlined in the Basic Law, the Chinese legislation that serves as Hong Kong's de facto constitution. Provided that the explicit and implicit principles of the Basic Law are met, the Chief Executive may be elected by universal suffrage, as will the entire legislature. The principles laid down by the central government of the People's Republic of China are: gradual and orderly progress (Articles 45 and 68); development

in the light of actual situation (Articles 45 and 68); “balanced representation” meeting “the interests of different sectors of society” and “facilitation of the capitalist economy of Hong Kong” (as enunciated by Ji Pengfei, Director of the Hong Kong and Macau Affairs Office of the State Council on the enactment of the Basic Law in 1990).

2) The emergence of the new, “bit-driven” globalized economy, necessitating a review of the role played by government in the continuous development of Hong Kong, and an overhaul of old paradigms of “bureaucratic capacity” and of “state-society synergy”<sup>1</sup>.

3) The emergence of China as an economic superpower, fostering rapid erosion of Hong Kong’s competitiveness in many vaunted traditional areas of strength, including manufacturing, trade, logistics and its function as South China’s transport hub. As a result, Hong Kong needs to re-think and re-formulate its strategy for integration and convergence with China’s long-term growth.

### **Hong Kong’s Constitutional Model**

Undeniably, the Basic Law gives Hong Kong people a much higher level of autonomy than was conceivable under British rule. Yet the slow pace of localization of the civil service in the run-up to 1997, coupled with transitional arrangements that were far from seamless, caused the newly formed Special Administrative Region Government (SARG) to be under-prepared for its new role. The constitutional design enshrined in the Basic Law represents a curious combination of the old colonial model and features borrowed from the American presidential system, such as fixed terms for the Chief Executive; Legco’s oversight over the appointment and removal of senior judges; and Legco’s power of impeachment of the Chief Executive. Similar to the presidential system, it creates two centers of power: the executive branch led by the Chief Executive and the legislature. A missing provision in the Basic Law is the central role played by political parties in forming and sustaining governments in office. In comparison, the central government is well supported by the Chinese Communist party, which sets the main policies. By contrast, the SARG has struggled for strong governance for almost a decade without firm party support. The Basic Law aims at continuing the “executive-led” model of government of the colonial era, but strong governance is not possible without strong institutional control of the legislature by the executive branch through the support of a ruling party or coalition led by the Chief Executive.

### **The SARG s Capacity for Governance**

Scholar Peter Evans of the University of California at Berkeley argues that the extent to which public administrations bear the characteristics of a meritocratic, impersonal and functional Weberian bureaucracy is a good indicator of their success in economic development.<sup>2</sup> Hong Kong’s bureaucracy neatly fits the Weberian model, and its success in managing Hong Kong’s impressive economic development in the post-War decades corroborates Evans’ theory. Yet Hong Kong’s bureaucratic system shows signs of stress in the new SAR era, as it struggles to undertake the much bigger governance role envisaged in the Basic Law (managing Hong Kong’s transition from a colonial Weberian-style bureaucracy to a representative government within the parameters of the Basic Law), and meets the economic challenges brought on by information technology-driven globalization and the rise of China as an economic powerhouse. Bearing the characteristics of an “English-style Weberian bureaucracy with its separation between engineering and

management, i.e. between industrial domain knowledge and high-level bureaucrats and politicians” (in the words of MIT scholar Danny Breznitz)<sup>3</sup>, Hong Kong’s top bureaucrats and political leaders lag behind their Asian counterparts in their engineering knowledge and global management perspective. By contrast, Hong Kong’s Asian competitors, Taiwan and the Republic of Korea, are “technocratic Weberian bureaucracies in the Japanese style”. Their senior officials and ministers are much more strongly seized of the importance of technological development as the key engine of growth. While the skills set of Hong Kong’s bureaucrats proved adequate in the post-War decades, their lack of technological savvy and bold, long-term vision hampers their effectiveness in spearheading Hong Kong’s economic and social restructuring.

## The Way Forward

To succeed as a SAR of China, Hong Kong needs to tackle challenges in the following areas:

- 1) On the constitutional front, it needs to manage successfully its transformation into a representative government as provided for under the Basic Law. The present system, with its institutional disconnect between the executive branch and the legislature giving rise to perpetual power-based competition, needs to be repaired by restoring the organic link between the two branches of government. This cannot be done by putting back the clock and curtailing the autonomy and powers of the legislature. On the contrary this should be done by strengthening the representativeness and popular mandate of the executive branch and fostering a more co-operative and collegiate relationship between it and the legislature. Introduction of elections by universal suffrage alone would not be adequate.
- 2) The installation of a successful and functional representative government would require healthy developments on multiple tracks: growth of political parties which incorporate the best and brightest who are capable of representing broad public interests; growth of local political talent to take up the mantle of ruling Hong Kong; emergence of credible political leaders able to maintain close ties to the people without being captured by irrational populism or narrow sectoral interests; and a greater willingness by the citizenry to participate in an informed and positive manner commensurate with their stations in life. For the political parties, this involves abandoning behavior and mindsets that make them appear “disloyal” and “anti-system”. On the part of the SARG, this involves persuading Beijing that an anti-system and disloyal opposition is unlikely to arise. Such opposition would put the city at loggerheads with the fundamental interests of the nation, and would unlikely be embraced by the people. The SARG should explain to the central government that, given the historical, multi-party development in Hong Kong and its proportional representation-based electoral system, an adversarial two-party system is unlikely to emerge. The best bet for Hong Kong’s political development lies in promoting the emergence of a patriotic and pro-China coalition in Legco. If such a form of government can be made to work in Hong Kong under the aegis of “One Country, Two Systems”, the successful implementation of this concept in Hong Kong will yield immense benefits as a showcase to Taiwan.
- 3) Where re-engineering of Hong Kong’s “bureaucratic capacity” is concerned, Hong Kong will benefit from reforms which foster a clearer separation of the burgeoning political tier from the supporting bureaucrats. For more than a hundred years, Hong Kong’s professional, loyal and generally clean civil service has proved to be its bedrock of stability. Undeniably, morale has suffered after the change of sovereignty

as government-society tensions and misguided notions of public accountability created unprecedented pressures on the civil service and deeply undermined their willingness to take risks and think outside the box. The best prescription is the early introduction of a democratically-elected government with clear separation of responsibilities between the political tier and the civil service. Contrary to the assertions of some critics of the political appointee system, the strengthening of the political tier does not necessarily mean dwarfing the civil service. On the contrary, it should be able to restore bureaucratic morale and stability by clearly defining the different spheres of influence and responsibility and reinvigorating teamwork and a sense of shared responsibility within the SARG.

4) To meet the daunting challenge of globalization and the rapid ascent of China as an economic superpower, Hong Kong needs to re-position itself in the world and in mainland China. The ability to compete successfully in the global economy requires a new model of “state-society synergy”. The SARG must be able to forge new and closer ties with key sectors of the economy, particularly those based on rapidly developing technologies that connect the HKSAR to the global economy. Hong Kong must identify how best it fits into the global chain of value-creation and how best its economy could create more value. It must find out new ways of partnering with mainland China to capitalize on its growth, not by asking favors or preferential treatment but by formulating win-win strategies. To undertake all these tasks, it needs to be able to attract a much wider and deeper pool of skilled people who are willing to give their best in serving the overall welfare of the Hong Kong people and indirectly the overall welfare of China.

## Conclusion

The successful transformation of Hong Kong as a SAR under the sovereignty of China has proved to be a more complex and demanding undertaking than originally envisaged. But this is hardly surprising given the many interlocking elements that need to be put in place to make such an unprecedented arrangement work. A continuous, strong commitment is required from all four parties: the central government; the Hong Kong government; the emerging political parties; and the citizenry. Beijing has a duty to adhere to its promise under the Basic Law. The SARG has a duty to work with it and the Hong Kong people to create the conditions that could make local representative government succeed. The emerging political parties need to show their leadership by demonstrating a commitment to the overall welfare of the country and the people of Hong Kong. Sheer commitment to narrow, short-sighted sectoral interests will only make them become self-interested political groups concerned mainly with pecuniary benefits for the minority, while extremist and intransigent anti-system behavior will only serve to alienate and stump their development. The citizens of Hong Kong need to show they deserve a democratic system by demonstrating their willingness to participate in an informed, intelligent and responsible manner. Such participation is much harder than chanting slogans or taking part in mass rallies.

Hong Kong’s democratic development requires a sustained, positive effort on the part of all concerned. But if Hong Kong can beat the odds and establish a workable democratic system under the “One Country, Two System” parameters, the rewards at the end of the journey, in terms of a far more effective government and a much more harmonious and self-confident society, will far outweigh the pain and aggravation along the way.

## Notes

1. Professor Peter B. Evans, in his lecture entitled “What will the 21<sup>st</sup> Century Developmental State Look Like” at the Chinese University of Hong Kong on November 3, 2006, argues that growth has become “bit-driven”, i.e. “ value added comes from new ways of arranging bits of information in formulas, software code, and images and less from the physical manipulation of materials to make tangible goods.”
  2. Evans, P. and J. Rauch (1999) “Bureaucracy and Growth: A Cross-National Analysis of the Effects of ‘Weberian’ State Structures on Economic Growth,” *American Sociological Review*. 64(5) [October]: 748-65. “Weberian” refers to the modern bureaucratic state, as identified by Max Weber (1864-1920), the German political economist and sociologist. It is characterized by impersonal, functional and meritocratic organization.
  3. Danny Breznitz, in his book *Innovation and the State* to be published by Yale University.
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