

THE BROOKINGS INSTITUTION
CENTER FOR NORTHEAST ASIAN POLICY STUDIES

POST-2003 HONG KONG:
THE RISE OF CIVIL SOCIETY ACTIVISM
VS. DECLINE OF AUTONOMY?

A CNAPS Visiting Fellow Presentation with

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[Slide 1]

Thank you very much, Richard. Good afternoon, ladies and gentlemen. Thank you for attending this presentation. First of all, I would like to take this opportunity to thank Richard, Kevin, Sarah and Jiyoung of the CNAPS for their unfailing support and warm friendship to me. They have created an excellent and collegial work environment for all the visiting fellows.

The Movie “Election”

Since we are just after lunch, let me begin with a side story, a small marketing pitch of Hong Kong movies.

Hong Kong was known as Oriental Hollywood. Although nowadays you may hear more about Bollywood, there are still many talented Hong Kong filmmakers. Interestingly, a lot of Hong Kong movies are about triad societies. I can assure you that triad society is NOT a Hong Kong way of life. Just that I am not so sure if it is a way of life of some movie investors. Anyway, recently there is an award-winning Hong Kong movie on triad society with an English title --“Election.”

In the movie, there is a famous line. A triad gang said to some policemen: “Hey, Sir, our leaders are elected. The SAR Government is not.” Isn’t this an interesting reflection that --- Hong Kong is already modernized in most aspects of life, but the political system appears to be frozen in time?

Of course, I know nothing about triad society. I only know a little about the civil society. Let’s get back to our main theme.

2003: A Turning Point

After the exciting political handover in 1997, Hong Kong seemed to disappear in the radar of the international community. **[Slide 2]** But these determined faces on 1st July 2003 put Hong Kong under the spotlight once again. Over half-a-million peaceful protestors captured the world’s attention and imagination.

2003 was a turning point for Hong Kong politically and socially. This afternoon I would like to draw your attention to two underlying trends that have become prominent after 2003: the rise of civil society activism as contrast to the perceived decline of Hong Kong’s autonomy.

[Slide3]

Outline of Presentation

In this presentation, I will address four issues.

First, I will give a very brief overview on the post-2003 Hong Kong.

Then, we will spend more time on the two trends: the rise of civil society activism and decline of autonomy.

Lastly, I will share thoughts on the impact and implications of the two trends for the future of Hong Kong.

[Slide 4]

An Overview of Post-2003 Hong Kong

Now, let us recap the post-2003 political and economic development in Hong Kong SAR as summarized on the following two slides.

The period of 2003-2006 can be characterized as *a surge of political excitement that subsides gradually after a change of the political leadership*, specifically after the sudden resignation of former Chief Executive Mr. C H Tung, who was staunchly supported by former President Jiang Zemin. Mr. Donald Tsang succeeded as the new SAR Chief Executive.

Earlier this year, friends of our Center, famous journalist Mr. Frank Ching, and Hong Kong Visiting Fellow of last year, Dr. James Tang, already updated at the Brookings on the constitutional development. In short, the public demand for democracy was dampened by Beijing's decision to rule out universal suffrage in 2007/8. Later, Mr. Tsang's constitutional package failed to pass in the legislature.

In 2006, the world finds Hong Kong quiet. No news is good news; and even better news is the economic recovery. **[Slide 5]** The stock market reached new record highs. Our economy is back to very mild inflation. Unemployment rate declines. Nonetheless, the fruit of economy recovery is not shared by all as the disparity between the rich and the poor widens. Our Gini-coefficient is one of the world's worst [0.525 in 2003]. Public criticism of government-business cronyism grows.

I would summarize the current governing strategy in Hong Kong as: *Legitimacy from polls, but not votes*. If gradual subsidence of political excitement and high poll ratings are *the* yardsticks for measuring success, this strategy seems to work.

[Slide 6]

Legitimacy from Polls, not Votes

No doubt, Mr. Donald Tsang and his administration enjoys tremendously higher popularity ratings than his predecessor as shown in the tracking polls on this slide.

Mr. Tung's half-yearly average of ratings before resignation was about 47. When Mr. Tsang took over, his average rating was over 67 and continued to stay above 60 until recently. Despite the favorable poll ratings, one would wonder why the SAR Government continued to suffer major policy setbacks.

Rise of Civil Society Activism vs. Decline of Autonomy

One of the possible explanations originates from the tension between the two underlying trends --- [Slide 7] the rise of civil society activism and the decline of autonomy. Let me emphasize that the two trends have been developing since 1997; and were intensified after 2003.

[Slide 8]
Rise of Civil Society Activism

I won't bore you with the history of civil society development in Hong Kong. Suffice to say is that the civil society has always been vibrant in most aspects of citizen life. To quote Lord Chris Patten, "Hong Kong possessed all the institutions and culture of civil society"¹ when he became the last Governor in the early 1990s. The civil society vibrancy, however, was less prominent, in politics and public policies. Except for the grand marches in support of Beijing students in 1989, participation in social movements was mainly confined to concern group activists or unions.

After 1997, public dissatisfaction of the SAR government began to fuel civil society activism. Hong Kong became "A City of Protests" as the foreign press described. However, there has long been a strong sense of "helplessness." Hong Kong people don't believe they can alter their collective destiny. 2003 brought some change to that mood. The SARS outbreak and the subsequent July 1st protests energized the community spirit and stimulated a sense of "making a difference." Hong Kong people were encouraged that many others also feel strongly about the community and not "apathetic" as many pundits said. After 2003, new public affairs groups were formed, particularly by young people and young professionals. Thanks to the new comers, civil society activism has been expressed more creatively and no longer mundane as before. Social movement networks can be formed quickly. Mobilization can be more spontaneous than organization based. I highlight the word 'spontaneous'. Individual participants often mobilize their personal networks using emails and mobile messaging. Plainly, most civil society groups cannot mobilize thousands of people.

[Slide 9]
"New" Social Movements

After 2003, the civil society activism centered on four major themes. They are:

- the struggle for democracy,
- the concern for green and urban planning issues,
- the preservation of Hong Kong values, identity and heritage, and
- the setting up of new political platforms such as political parties and think tanks.

None of these is entirely new agenda. But, they are new in focus and mode of participation. In the past, social movements were often about sectoral interest, livelihood or rights issues. The post-2003 themes, nonetheless, transcend traditional class or

¹ Chris Patten 1998, *East And West*, Harper Collins, p. 24

sectoral interests. They are more value-driven and public participation can be across sectors. I now explain some politically significant cases.

[Slide 10]

Sisyphus' Struggle for Democracy

The first is “Sisyphus-style” struggle for democracy. Make no mistake. Demand for democracy has been long on the Hong Kong agenda since 1980s. People want democracy but participated mainly by voting for pro-democracy candidates in elections, calling into radio programs, or joining signature campaigns. After 2003, the demand for democracy has been expressed in a more determined, proactive, and creative way.

You are familiar with the democracy rallies after 2003, for examples those on the New Year 2004 and annual 1st July rallies. Thousands to tens of thousands joined each protest. Over time, the protests drew fewer participants and were no longer angry outbursts. However, this may not necessarily represent reduced determination for democracy for three reasons. First, none of the post-2003 democracy marches, except the one I will describe next, was urged by any time-critical event. Second, in 2004 spring the National People's Congress already ruled out universal suffrage in 2007/8. Third, the themes of 1st July marches after 2004 were diffused with a variety of social agendas and no longer about democracy only. Hong Kong politics is not only polite but also pragmatic. People act when it is critical to do so.

The public's determination for full democracy was expressed by the record high voter turnout [55.6%] in the Legislative Council elections in September 2004. Consistent with the past elections, although over 60% of the popular votes went to pro-democracy candidates, they only occupy about 40% of LegCo seats under the current electoral system.

[Slide 11]

At critical moments, the civil society activism proved to be energetic. In late 2005, Mr. Donald Tsang put forward his constitutional package that might benefit the prospects for pro-democracy politicians such as the Democratic Party. However, people asking for real democratic reforms concluded that the government package would not change the system. The civil society reacted strongly to this time-critical event. They aimed not so much at persuading Mr. Tsang to offer more reform but to ensure that the pro-democracy legislators would not to vote for the government proposals. The protest on December 14th, 2005 was participated by tens of thousands. Another new phenomenon emerged with the appearance of many press advertisements published by private individuals to urge for democracy and by those who supported the government. A leading example was a simple but power advertisement published by a 78-year-old man. He says, “Tell me, if I will live to see universal suffrage.”

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Greener and Better Hong Kong: Harbor Case

The second theme of civil society activism is to build a greener and better Hong Kong. This is more than an extension of global environmentalism. This represents a gradual change of societal values in Hong Kong about the philosophy and public policy of urban development that has mainly been driven by business interests, especially property development. In the capitalist Hong Kong, people now feel more comfortable to say openly: “*money doesn’t always come first.*” Let me introduce three politically significant green cases that directly impacted on Hong Kong governance.

One landmark case was the opposition against further reclamation of the Victoria Harbor, Hong Kong’s beautiful icon. The Society for Protection of the Harbor won in a judicial review to reject part, but not all, of a large government reclamation plan. The public sentiments for saving the harbor grew strongly after 2003. Spontaneous donations poured into the harbor groups. Their creative campaigns received a high degree of public participation unseen in the past, such as carnivals, blue ribbon and hand-in-hand campaigns. In response, the government set up a new advisory committee to co-opt various harbor activist groups. The latest situation as I learnt from both senior officials and civil society actors, however, is that the government committee is not operating to the satisfaction of either side.

[Slide 13]
Greener and Better Hong Kong: Hunghom Peninsula Saga

The next case is the Hunghom Peninsula saga in 2004. You will find the case intriguing in the capitalist city. Hunghom Peninsula residential complex was originally built by the government in partnership with private developers as subsidized housing for middle-low income families. Owing to a sudden change of policy, the government sold the newly built and not yet occupied Hunghom Peninsula to the private partners at below-the-market price. Then, the developers decided to pull down the entire complex and rebuild luxurious residential apartments. The green groups criticized the planned demolition as a “sinful wastage,” or “zheduo” in Cantonese culture. The government said it could do nothing to stop the developers under the contract.

A loose alliance of green groups, school children, teachers, and parents as supported by a radio channel and pro-democracy legislators campaigned many months against the demolition plan. Some activities were creative such as nomination of the developers to a world record for huge wastage (the International “Public Eye” award), children drawings and essay contests, special “wastage” tours, huge banner, and other tactics to embarrass the developers. The government was widely criticized too. Pro-democracy legislators put pressure on the government to release details of the sale negotiations with the property developers. Despite the growing public opposition, the developers vowed to go ahead with the demolition. The civil society groups planned for a mass protest. You might have thought that the controversy was purely local and of no national significance. But the press reported that Beijing was concerned. The saga ended mysteriously. A few days before the planned protest, Premier Wen Jiabao told the Hong Kong press that the Central Government always cared for Hong Kong and asked if the SAR Government needed help to put off a hill fire on an outlying Island. That was very strange to the

public. No one had noticed that small hill fire! The next day, the property developers suddenly announced to withdraw the demolition plan on Hunghom Peninsula.

[Slide 14]

Greener and Better Hong Kong: West Kowloon Cultural District

The third case straddles from Mr. Tung's era to the current administration. The West Kowloon Cultural District development is regarded as a major policy setback for Mr. Tsang. The case involves multi-dimensional controversies. In short, the government planned to develop a large piece of high-value land on the West Kowloon harbor front into a cultural district. Mr. Tung asked then Chief Secretary Mr. Donald Tsang to steer the mega project. The public and the legislature supported the general idea of building a cultural district. But how it should be developed became highly contentious when the government decided without consultation to award the whole project development and future operation to a single consortium through a tender that would only involve three pre-selected local property developers. The 'single-developer' approach was widely criticized as a de facto property project and yet another expensive gift to the biggest tycoons in town (as in the contentious Cyberport case before). Opposition was almost in unison from cultural critics, green groups, professional architects, small-to-medium-sized property developers, pro-democracy and pro-business political parties. A new cross-sector coalition formed by activists from cultural, green and urban planning backgrounds advocated "civic-participation approach" to redesign the development plan and conducted public engagement initiatives such as guided tours, open workshops, town hall forums. The public response during the early months was good. Mr. Tsang, then the Chief Secretary, strongly rebutted public criticisms and refused any change of plan. However, after he became the Chief Executive in 2005, the West Kowloon development became his political burden. The new Chief Secretary Mr. Rafael Hui tried to diffuse the time bomb. Mr. Hui skillfully recast the plan by making concessions to different parties, especially small property developers. But his revised plan failed to convince the civil society activists that the 'single-tender and property development-driven' plan had been changed in substance. A more serious blow was that the three original bidders found the new business terms unattractive. The government called off the whole tender process and set up a new consultation committee to rethink the plan.

[Slide 15]

Hong Kong Values and Identity

The next aspect of growing civil society activism --- preservation of Hong Kong values and identity, requires careful and politically accurate explanation. There is absolutely no intention in Hong Kong to develop any independent political identity from the Motherland. But there are growing serious worries that Hong Kong may be losing its unique values, character and heritage. In mid-2004, about 300 intellectuals and professionals jointly published the "Declaration of Hong Kong Core Values" in the

newspapers.² The signatories were of moderate pro-democracy as well as conservative pro-establishment orientations. The declaration resonated widely in public because shortly before that the National People's Congress ruled out universal suffrage and radio hosts critical of the government suddenly left their shows. Subsequently, both Mr. Tung and Mr. Tsang used the phrase "Hong Kong core values" albeit under different interpretation in their public speaking. Civil society activism to protect the local identity is also manifested in community campaigns of heritage preservation such as Central Police Station, Central Star Ferry, and Kan Tong House.

[Slide 16]

New Political Groups

The last category of civil society activism is the emergence of new political groups and think-tanks. This has led to much political speculation. A new pro-democracy political party, the Civic Party, was established early this year. Though labeled by the media as a "barrister party", the new political party actually represents the consolidation of civil society activists in different areas who share a common belief of full democracy and civil participation. Alan Leong of the Civic Party, not Mr. Donald Tsang, is the first to announce to run for the Chief Executive election next year though we can all expect the election outcome.

Recent moves by former senior officials in the civil society received a lot of attention. Former Chief Secretary Mrs. Anson Chan and former Secretary for Security Mrs. Regina Ip, established their own think tanks separately; namely, the Core Group on Constitutional Development and Savantas. Other retired senior officials including Mr. Tung's former chief of staff and former deputy monetary chief formed the Bauhinia Center, a think-tank backed by tycoons. The Bauhinia Center is close to the current administration and discusses research topics with the government in advance.

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Can Civil Society Activism Sustain?

Will the post-2003 civil society activism be short-lived or a long-term phenomenon? From the civil society's perspective, there are reasons for both optimism and pessimism.

Optimists, in particular newer activists, suggest that there is no turning back of an awakened community. The spirit of civic participation will be sustained. Civil society networking has been strengthened through various campaigns in recent years and aided by the spontaneous use of modern technologies. People are ready to act when the next crisis comes.

Pessimists, however, are concerned about declining enthusiasm in 2006. Some admitted that the 2003 protests set too high a benchmark for future mobilization. Meanwhile, the

² The Hong Kong core values are: democracy, human rights, rule of law, fairness, social justice, peace and compassion, integrity and transparency, plurality, respect for individuals, and upholding professionalism.

government avoids policy changes and thus mistakes. It is also very difficult for the civil society to catch the attention from a less than friendly mass media. The civil society now finds it much harder than in 2003 or 2004 to advocate for positive policy changes or arouse public sentiments to their proposals.

My assessment is somewhere between the optimists and pessimists. In general, the civic spirit, interest and civil society networking capacity have definitely been strengthened. The basics for civil society activism are entrenched. But there are always ebbs and flows in the big environment. Civil society activists cannot count on “*favorable*” external factors. They must work harder and smarter to present good alternatives to the public.

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Decline of Autonomy?

Many civil society actors and the public share a growing worry that Hong Kong is becoming less autonomous in governance.

Let me put on record that Hong Kong is constitutionally ensured a high degree of autonomy and does enjoy special autonomy in a unitary China. Our Judiciary remains independent and commands the highest public confidence among government institutions including the administration and legislature. Our civil service is largely efficient, clean and locally recruited. Hong Kong is separately represented in major international organizations. Freedom of speech, information and assembly in Hong Kong continues to be the highest in China. We do not have government censorship of the press or Internet.

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Why Worry about Autonomy?

Then, why people are worried?

The exercise of “autonomy” in Hong Kong is not a simple constitutional or legal definition, nor purely about Beijing’s control. Hong Kong is caught in the dilemma between the unstoppable trend of economic integration with Mainland and the need to preserve its own autonomy and uniqueness. The equation of Hong Kong autonomy also depends upon the SAR administration’s attitudes and approach.

We must acknowledge that in the first few years after 1997 Beijing did adopt a generally hands-off approach over Hong Kong, except in politically sensitive matters or when the SAR Government asked for help. And the SAR did ask for help. For examples, in 1999 the SAR government invited the National Peoples’ Congress to interpret a Basic Law article on immigration after its loss in a judicial review in the local Final Court of Appeal; and started seeking favorable economic policies from Beijing. These and other cases caused worries about erosion of autonomy and the rule of law in Hong Kong.

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Post-2003 Concerns

After 2003, the equation of autonomy was changed. Beijing adopts a new strategy of proactive involvement in and monitoring of Hong Kong affairs. People wondered the real reason behind Mr. Tung's sudden resignation that was shortly after President Hu Jintao told the former chief executive in front of his cabinet and camera to "review the SAR Administration's inadequacies". Then, the National People's Congress interpreted the Basic Law the second and third time without any invitation. The second interpretation rules out universal suffrage in 2007-8 as mentioned. The latest one in 2005 rules that Mr. Donald Tsang should only serve the remainder of Mr. Tung's original tenure. That was despite the fact that Beijing previously had no objection to the SAR Government's legal interpretation of the Basic Law that every new Chief Executive enjoys a five-year term. The Central Government decided to give Mr. Tsang a two-year probation period until 2007. The SAR Government had to amend the local election law previously enacted with no disagreement from Beijing.

Other examples of China's proactive approach include its involvement in local elections, an expansion of Beijing's administrative and research machinery to monitor Hong Kong affairs, and granting more favorable economic policies to Hong Kong.

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The new formula of Hong Kong's autonomy is reinforced by internal development. People are concerned about an increase of self-censorship of a highly commercialized media and alarmed at the sudden departure of several radio hosts. Today, more newspapers and broadcasting channels are regarded as pro- or friendly to the government as compared to a more critical tone before 2003. The incumbent Chief Executive visits China to report duties more often than his predecessor.

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After 2003, the SAR Government implements more vigorously the policy of economic integration with Mainland by seeking favorable economic policies from Beijing such as the Closer Economic Partnership Agreement, RMB business, entry of Mainland tourists; and trying to integrate Hong Kong development into the national economic plan.

The SAR policy of proactive economic integration with China can be seen in very positive light for Hong Kong's economy. However, questions from the local and international community also arise on whether Hong Kong is becoming too reliant on China and risks losing its social and economic distinctiveness. At his recent Economic Summit on Hong Kong's roles in China's Five-year Plan, Mr. Donald Tsang said "positive non-intervention" was a past sentence in Hong Kong. Mr. Tsang's remark raised many eyebrows, including from Nobel Laureates Milton Friedman, Edmund Phelps, and a prominent economist from the Chinese Academy of Social Sciences.

[Slide 23]

Impacts

The tensions between the decline of Hong Kong's autonomy, at least the perception of it, and the rise of civil society activism lead to deadlock governance. As a result, the strategy of "legitimacy from polls, not votes" could not produce effective governance despite Mr. Tsang's high poll ratings. The incumbent administration continued to suffer from policy setbacks and deadlocks; for examples, the constitutional package and West Kowloon cases as mentioned, judicial reviews on the tapping laws, and more recently the GST debate. In order to minimize risks to poll ratings, the administration generally adopts the "stay the course" strategy in many necessary policy reforms such as health care financing, competition law, air pollution, lands development and constitutional reforms.

The phenomena of civil society activism coupled with the perceived decline of autonomy aggravate four sets of underlying conflicts in Hong Kong:

- People's rising expectations vs. the government's weakening capacity
- Societal diversity vs. vested interests institutionalized in the political system and government policies
- Growing demand for government modernization vs. the government institutions being frozen in time
- Obsolete government policies vs. lack of political incentives for change

[Slide 24]

Honeymoon is Over

It is, therefore, not surprising that "legitimacy from polls" is a difficult governing strategy to maintain and can be costly to the society. In recent months, Mr. Tsang's popularity gradually and continuously declined. Last month, he presented his Second Policy Address that avoids controversial policies and gives away handsome money to some parents of kindergarten children. This meant-to-be popular Policy Address turned out to receive very low popular ratings, even lower than Mr. Tung's swansong Address.

[Slide 25]

Future Issues

Finally, let me give a few thoughts for the future.

First and foremost, the 'legitimacy from polls' strategy is not sustainable for Hong Kong.

What about strengthening legitimacy by engaging the civil society. Civil society activism can be a feedback mechanism to the current political system where vested

business interests are institutionalized. If the government positively embraces civic participation, this may help improve the quality of policy-making. Nonetheless, the current administration is still quite resistant to strengthening the role of civil society in policy. Even if it does, the civil society is still not a proxy to legitimacy from equal voting right. Otherwise, only the loudest will prevail.

Hong Kong is as modernized as any first world society. Legitimacy must come from votes for the pragmatic reason of effective governance, not to mention this is a citizen's right. That said, universal suffrage is a necessary but not sufficient condition.

For the sake of effective governance in the long-term, Hong Kong needs bolder reforms. We need fair competition in politics and the economy. We need to rationalize the political system so as to ensure a reasonable institutional setting for healthy executive-legislative relationship, to allow some sharing of powers and thus responsibilities, and to foster political party development. We also need a more open, transparent and participative mode of policy-making that positively engages the civil society and allows better public access to government information. In short, Hong Kong needs democratic reforms in a real sense.

2007 will be a politically challenging year for Hong Kong. The Chief Executive *election* will be held in March. Next July, senior Chinese leaders will come to celebrate the tenth anniversary of Hong Kong's handover. The international media will pay attention to these events. How Beijing, the Hong Kong SAR government, civil society and the public will interact in 2007 will be interesting to all of us.

Thank you very much for your patience and welcome to any question about Hong Kong.

[*Q&A Forthcoming*]