

Hong Kong : Quo Vadis?

During the past years, calls for Hong Kong's Chief Executive Mr Tung Chee-hwa to resign have been a dozen a penny. They come from disgruntled callers in radio talk shows, pro-democracy activists in the Legislative Council, anti-establishment media commentators, and are sometimes echoed in daily casual conversations or gossips.

No one seems to have taken these calls seriously. After all, even after half a million people took to the streets in July 2003, when Mr Tung was rumoured to have tendered his resignation, Beijing rolled out a red-carpet support for him. However unpopular he may be perceived, he is the first Chief Executive hand-picked by Beijing.

Such calls have in fact become much less heated as the economy has registered a robust recovery – unlike previous years, the jubilant mood was noticeable – and the Democrats are licking their wounds after their set-back in the recent Legislative Council elections.

But then at the end of February, clear signals emerged from Beijing that Mr Tung would be elevated to be the Vice-Chairman of the Chinese People's Political Consultative Conference, a body he had to leave as a Delegate when he was first appointed Chief Executive in 1997 to honour the One Country, Two Systems formula. Hong Kong's rumour mills quickly worked overtime and when the speculation of his imminent resignation as Chief Executive was not categorically denied, international wires were hotted up with the story that this time, it is for real.

Two related questions immediately come to mind. First, **why now and not wait until the end of his term in 2007**, during which Beijing has already ruled out universal suffrage for electing the next Chief Executive and the Legislative Council? Second, if Mr Tung resigns now, **where will Hong Kong go from here?**

Let's set aside the rumour that he has harboured no great enthusiasm for his current second-term and that he has again tendered his resignation recently as he was physically and mentally exhausted (his nick-name is 7/11 for the daily hours he works) and with the now buoyant economy, this would be a good time to leave. Whatever the reason, expressed or otherwise, in the light of Mr Tung's past compliant relations with the

capital, it begs the question whether Beijing would acquiesce to his early departure without also some strategic advantage in mind.

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It should be remembered that under Hong Kong's current constitution, the Basic Law, 'In the event that the office of the Chief Executive becomes vacant, a new Chief Executive shall be elected within 6 months'. Such election has to be undertaken by the 800-member largely pro-Beijing Election Committee whose term will expire on 13 July. Additionally, even after Beijing has ruled out universal suffrage for the next elections originally scheduled in 2007, the Democrats are still pushing for this. In any event, a public debate is afoot under a Government-led task force to review how in the absence of universal suffrage, the electoral base could be broadened. There have been suggestions, for example, of greatly enlarging the Election Committee.

So, if Mr Tung is allowed to leave early, logistics will dictate that his successor will have to be elected by the existing Election Committee, which Beijing trusts for producing a politically safe choice. Moreover, according to the Basic Law, the new Chief Executive will serve for five years, i.e. until 2010. This would deflate the Democrats' continued push for universal suffrage in 2007.

There are rumours that Beijing favours the new Chief Executive to serve only until Tung's current term expires in two years' time.. If so, it may be due to Beijing's wish to try out the successor before a possible new-styled Election Committee in 2007. But this will not comply with the Basic Law and any further interpretation by Beijing risks destroying confidence in the One Country, Two Systems.

So, what lessons, if any, are learnt and what about the future?

It seems Mr Tung's departure has been brought about by three Ps – Providence, Politics, and Personality.

To be fair, Mr Tung is an exceedingly kind and hard-working figure, who doesn't put on airs, and whose heart is genuinely in the right place – he truly loves China and Hong Kong. A great deal of the complaints against Mt Tung arose from momentous events outside anyone's control such as the Asian financial storm, birds' flu and SARS.

Moreover, the political climate after 1997 has drastically changed. Unlike earlier colonial days, an elected and emboldened legislature thrives in criticizing a Government which does not have an elected mandate. This system had worked remarkably well when all legislators

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were appointed by the Government until 1985. It continued to work reasonably well afterwards as the Government remained entirely in the hands of highly experienced career civil-servant ministers working as a tightly coordinated team. The Executive Council (the cabinet) also continued to be composed of heavy-weights selected from various sectors of the community. However, these arrangements have later been replaced by Mr Tung appointing into the cabinet his own chosen disparate non-elected individuals as ministers under what is called the 'accountability system'.

This brings into focus the third 'P' – his personality. The Chinese leadership once passed the judgment that the Tung administration seemed to indulge in 'consultation without decision, and decision without action'. Sometimes, however, he tends to listen to certain one-sided views and remains unflinching in his chosen course. All his much criticized decisions were extremely well-intentioned. But the public suffered as a result. For example, his '85,000' target for subsidized housing led to the collapse of the property market as his good intentions unfortunately coincided with the Asian financial storm. This is not helped by the fact that without any gifts as a politician or a public administrator, he has not been able to articulate and enforce the values which capture people's hearts and minds.

Speculation is rife that in the light of experience, Beijing wants to make use of his departure to bring about improvements in Hong Kong's governing chemistry, perhaps a greater reliance on career civil servants, a better working Executive Council and smoother relations with the Legislative Council. If this is true, it will augur well for Donald Tsang, the current Chief Secretary, a brilliant career civil servant-turned political appointee, who also served as Financial Secretary known for his decisive but successful defensive actions during the Asian financial crisis. Under the Basic Law, he will act as Chief Executive until the election for a new Chief Executive within six months. It is not surprising that he is hotly tipped as the front-runner to be elected for the top job.

No matter how it turns out, the development is unlikely to affect adversely Hong Kong's stability or economy. The Democrats' recent

embarrassing set-back suggests that the electorate does not favour constant confrontations with the Government and Mr.Tung's departure will remove a favourite target of public discontent. In any case, his replacement two years earlier than scheduled would provide an

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opportunity for a more effective pair of hands and some welcome winds of change in the political environment.

Hong Kong's economy has consolidated its remarkable recovery with a disappearing budget deficit and unemployment dropping to a manageable 6.4%. Following the continual expansion of the Closer economic Partnership Arrangement with Mainland China, the implementation of an Individual Travel Scheme bringing millions of Mainland tourists to Hong Kong, the planned construction of a Hong Kong-Zhuhai-Macao bridge, the formation of a 9 + 2 (nine provinces with Hong Kong and Macao) Pan-Pearl River Delta Regional partnership accounting for about 40% of China's total economic output, Hong Kong will continue to prosper on the crest of a rapidly rising China.

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