

## **How to Restore the Pride and Effectiveness of the Hong Kong SAR Government**

**Mr. Leung Chun-ying**

Chief Executive-elect, The Hong Kong SAR Government

(Below is the speech of Mr. Leung, who was invited by the Hong Kong Public Administration Association to give a luncheon talk entitled "How to restore the pride and effectiveness of the Hong Kong SAR Government" on July 28 2011. It is translated by Walter Shum and edited by Sonny Lo.)

Today, I am very pleased and much honoured to be invited to the luncheon at your Association's annual general meeting.

What the media are concerned about most is the views expressed by Mr. Wang Guangya, the Director of Hong Kong and Macao Affairs Office of the State Council of the Government of the People's Republic of China (PRC). Mr. Wang talked about Hong Kong's civil servants just the day before a meeting with the delegation of university students from Hong Kong. Of course, he mentioned other issues and the importance of long-term planning and design of Hong Kong. On this issue, my view is that the effective governance of any society, whether dealing with work at higher or lower level, requires the combination of two aspects. One aspect is planning and design, which is not just the kind of urban planning and design covered by Dr. Peter Fong's professionals, and the other dimension is professional execution.

Before the reunification of Hong Kong with the PRC, planning and design work were mainly the British responsibilities. After the reunification of Hong Kong with its motherland, we have "Hong Kong people ruling Hong Kong" and also a high degree of autonomy. Hence, the Hong Kong civil servants, apart from the implementation of planned and designed work under the system of "Hong Kong people ruling Hong Kong" and "high degree of autonomy," have to take on the tasks of planning and design at a higher level.

What are planning and design — visions that we must have? For long-term purposes, we have to think about our directions. We have to choose our paths. Quite often, these choices turn out to be difficult trade-offs. In making our choice, we should have in-depth understandings of some of the existing social

phenomena and social structural problems. This is because we are now our own bosses. What are these problems? Over the past few years, the territory-wide issues have often been discussed in the community. Problematic issues at the higher level, such as poverty, industrial structure, and the government's role in economic development, require our planning and design of long-term and visionary nature.

Civil servants are working at different levels. They surely require the ability of long-term design and planning. But I think, in addition to civil servants, a more important issue is that our whole society needs to have a vision, a common vision. Our whole society should have an awareness of long-term design and planning. Our whole society should also be aware of the importance of long-term planning and design.

Speaking of our civil service, I regard Hong Kong's civil servants as very competent, very diligent and professional. I believe that, with the continuous development of our society and under the new situation, Hong Kong's civil servants are fully capable of making advances with the passage of time.

Finally, someone suggest today that what Director Wang Guangya had said was referring to the Chief Executive, Mr Donald Tsang. I do not agree with this interpretation. In my opinion, the remark of Director Wang Guangya was not meant to target at anyone. The Central Government has all along been very supportive of the Hong Kong Chief Executive to administer the territory in accordance with law. This was the main content of what I have talked to our media friends. I hereby reiterate this point.

What I have said does not have a direct bearing on our topic today. First of all, let me untie the topic, namely "How to restore the pride and effectiveness of the Hong Kong SAR Government ". Here, I would like to explain that the topic was given to me by the Association. I have no choice in this respect. In particular, our media friends may wish to know that Peter asked me whether I would be able to talk about the restoration the pride and effectiveness of the Hong Kong Government. We agreed on the topic and have it translated into Chinese. This explanation is important. It is because you will later find out from the content of my speech that I do not pick this topic to indicate that the governance of the Hong Kong Special Administrative Region (HKSAR) is unauthoritative or ineffective. There is never such a meaning. However, I think that, since the topic was proposed by the Chairman of Hong Kong Public

Administration, Peter Fong, it actually reflects the concern of some people in the community concerned about governance. Although I do not agree with this concern, we can put it forward to explore why some people have such an impression.

We all know that governance involves many aspects. It is a very complex issue with rich content. I'll first make it clear to you that, because of the time constraint, we are not going to look into various aspects of the issue. This should not be taken to mean that they are not related to the characteristics of the governance of Hong Kong, but it is simply a matter of time constraint. In particular, I will not talk about those issues which are not directly related to public administration because we have an audience of friends of the Public Administration Association here today. What are they? They are the institutional problems different from public administration.

Today I am not going to talk about issues concerning political system. Although when we talk about the issue of governance, our friends in the community have pointed out that, because of our political system, the Chief Executive or his administration has no vote in the Legislative Council. As such, the Chief Executive often fails to request the Legislative Council to approve funds or policy or bill since he has "no vote". This may be a problem, a problem of institutional design. Nevertheless, no matter how we look at it, any institutional change will involve the Basic Law. This is a fact as well as a reality which we cannot change in the short period of time.

Secondly, I am not going to talk about party politics. A lot of friends suggest that our governance is hindered by the problem that our government has no majority party in the Legislative Council. If the administration has a majority party, it would be able to join hands with other political parties, thus improving the relationships between the executive and the legislature. As a result, the implementation of our executive policies would be smooth. However, whatever attitudes we hold in respect of the existence of any ruling party in Hong Kong, the political reality is that it is impossible for us to have a majority party in the short run. This is also a matter of fact. It involves the historical development of political parties in Hong Kong as well as the current political ecology. Hence, there are two areas, one is party politics and the other is the institutional design under the Basic Law about which I do not want to talk today. It is not because they are not important but because I want to focus on public administration since we are here today at a meeting of the Public Administration Association.

Regarding administration, I would like to examine three points.

Point number 1 is that the design of our administrative organization is unique. Hong Kong is a city and also a Special Administrative Region. What is being implemented in this Special Administrative Region, apart from another system under the "one country, two systems", has to abide by the following two statements: "Hong Kong people ruling Hong Kong" and "high degree of autonomy". "High degree of autonomy" means that our government, albeit a local government, carries a wide range of functions when compared with other local governments, except Macao, in our country. Even when compared with the local governments of foreign cities, such as London, New York and Tokyo and with the local governments of our country's municipalities such as Beijing, Shanghai, Chongqing and Tianjin, our government has extensive functions of performance.

Because of "high degree of autonomy", some of the functions of our government are equivalent to those being performed by the Central Government. A case in point is our local currency system. Some of our friends ask: "How about our linked exchange rate? The rate of Hong Kong dollars has been falling down along with the US dollars. Should we reconsider the issue of linked exchange rate system?" On the issue of linked exchange rate, I would like to make it clear that we have to maintain this system. But still people in the community have often raised the possibility of delinking from time to time. The linked exchange rate has given rise to the issue of interest rate and such questions as "how can we better manage this place with finance-related issues", "what would be the margins for the fluctuation of interest rates", "what would be the extent of the rise of Hong Kong dollars when the US dollars are going up", and "what would be the margin for us to follow suit when the US dollars are falling?" These are questions which the municipal governments of London, Tokyo, New York, Shanghai, Beijing and Taipei do not have to think about. The exchange rate issue is a big one.

Another example is the textbook issue. Recently, we have seen a lot from the media about the expensiveness of our textbooks and whether textbooks should be separated from the teaching kits. Compared with other cities, whether in mainland China or foreign cities, their municipal governments responsible for education do not have to deal with the design of textbooks. They can simply use nationwide textbooks.

We have another education-related issue. It is particularly relevant to us since we are partially involved in tertiary education. We have spent a lot of efforts and time to work out a new "334" educational system. It changes our university curriculum from three-year to four-year. As a local government, we have our own educational system. We then decided to make changes. The university curriculum is therefore changed from three-year to four-year. We should not just look at the sentence "3-year changing to 4-year" and then jump to the conclusion that the system of "334" is very simple. In fact, our government departments concerned, the UGC (University Grants Committee of the University Grants Commission) and local universities have spent tremendous amount of time to ensure that the implementation of the four-year university curriculum in Hong Kong next year will be smooth and free of any problems.

All of these are the working areas in which other local and municipal governments do not have to tackle. These are governmental functions which we, being a "Grade 1 government" and simultaneously performing functions bordering on those of other central governments or federal governments, have to undertake.

Level 2 functions are meant to compare ours with those of other municipal governments. Obviously, they are our "city" functions. These functions are more or less the same as the government functions of other cities in the world.

Level 3 functions are the government functions in the realm of district administration. In addition to the "whole city" functions and, as I have said, functions bordering on those of other central governments or federal governments because of "high degree of autonomy", we have to take on the functions of a "Grade 3 government" in the absence of a regional government and under a situation whereby "district" government is non-existent.

There are lot of things inside a "District". When something goes wrong, either issues of greening or problems of fallen trees caused by greening or issues relating to local hygiene, the government headquarters have to rush to handle them. There are 18 "districts" in Hong Kong. Every "district" has similar problems. However, we don't have the authority to take charge of the administrative functions of a district and to be responsible for district affairs such as greening, hygiene, housing, education, etc.

You are the experts. I am superficial. When we look at other cities in the world, whether cities in our country or foreign cities, you will find that all of them have governments at the "district" level. For instance, London, in addition to the municipal government, there are many "district-level" governments. The same can be seen in mainland China, Taiwan, Japan, the United States and European countries. We are rare; I dare say that we are unique because the earth is huge. We are rare in that our government or our city does not have an administrative organization to co-ordinate the work of different government departments in a "district" such as Shumshuipo or Yuen Long. This is also a reality.

When you are working in the government, no matter which department and whatever post you hold as a public officer, your work will embrace the work of Grades 1, 2 and 3 even though it is supposed to be Grade 3. Therefore, our government's workload is particularly heavy. As an unofficial member of the Executive Council, half of my body is on the outside and half of it inside the government. Hence, I have in-depth understandings of the particularly heavy workload of our government. I have continuously called on the community and requested the public to give more and much greater support and understanding of our government.

Whilst our "Grade 1 government" is performing "Grade 3 functions", in recent years, the governance of the HKSAR has been encountering more resistance than ever before. Say, for example, the community-based projects and the infrastructure projects. You may recall that before 1997, we had a new airport project with the associated 10 core projects, a total of 10 projects known as, collectively, the "Rose Garden Project". It was launched from 1990 to 1998 when the last project, the new airport at Chek Lap Kok, was fully completed in 7-8 years. The laws and policies then were basically the same as those of today. However, today, we have many projects, whether in the planning stage or under construction, encountering oppositions of unusual nature. They have been brought to the courts for judicial review. Hence, legal challenge is one aspect that we have to deal with in the process of governance.

After the HKSAR return to its motherland, we have another aspect encountering judicial issues. What are they? We have our own mini-constitution, the Basic Law, after 1997. Some people in the community can take legal action under the Basic Law against many government policies and measures under the assertion of being "unconstitutional". We have been facing with a lot of cases

similar to those encountered by some foreign sovereign states. These are the cases named, collectively, "the right of judicial review" cases. We have many such cases over the past 14 years. Recently there has been plenty of news, whether big or small, in the media. There are not just one or two cases. As we all know, they have all entered judicial proceedings, and therefore I will not comment further.

Therefore, the work of our Government, apart from "Grade 1 government" performing "Grade 3 functions", has been encountering new resistance after the reunification of the HKSAR with mainland China. As a result, the same amount of manpower of the government team has to shoulder much more work than ever before, thus causing an "overstretched" situation and failing to meet all demands at times. Under this new governing environment, we need to rely on our government team, our accountability officials, our civil servants as well as other public officials, including lot of friends who are working, sometimes unpaid, in various advisory bodies of the government. They are serving our community continuously under the new governing environment. We should be aware of these issues and should get together to work out solutions. One solution which, I think, deserves more in-depth discussions in our community and should be earnestly implemented because of the external environmental changes, is whether we can do more work today with the same amount of manpower of the government as in the past and, at the same time, whether we are capable of achieving better results and higher quality outcomes within a shorter period of time. In my opinion, we should think about these issues.

In addition to better methods and various means of attracting talents, we have to think about how political talents and civil service personnel in our community can gain easier access to our system. The latter phrase is related to the preceding part of the sentence. That is to allow them easier transfer after leaving the government. We know that the government has recently promulgated regulations on "Post-service Outside Work by Former Directorate Civil Servants". I think that our civil service teams are clean and dedicated to their work. After they left the government, whether for reality reasons or for the sake of public image, we do not want to envisage any conflict of interests. Nevertheless, we should be aware of the fact that the concerned restrictions must not be too harsh. If our restrictions were too harsh, those who are determined, capable, aspiring to serve the community and willing to become civil servants and public officials would be expelled out of the system by us. This is detrimental to the community as a whole.

Finally, I would like to talk about one more point. It is the reason why we should cherish public officials and civil servants of Hong Kong. This is also what I have mentioned at beginning of my speech. Although we have a local government in our city, we are different from other places. We are not the same as other foreign cities. We are "Hong Kong people ruling Hong Kong" which means that people other than those of our city cannot assume public office or become civil servants or council members. You must be a Hong Kong permanent resident. If the Tokyo Metropolitan Government rejects those coming from Osaka or Sendai to become civil servants, there would be a mismatch between supply and demand of Tokyo's official personnel. If London promulgates that only those who are permanent residents of London or only those who have resided in London for seven years can be appointed as civil servants, it would also face problems. Since we have adopted the principle of "Hong Kong people ruling Hong Kong," we have to rely on our 700 million people. It is not a big population. However, we could only pick those amongst the permanent residents of the 7 million Hong Kong people to be the persons having the aspirations to serve the community as public officers in the government and relevant organizations. Sometimes, we even have to pick those persons only from the Chinese citizens among the permanent residents of the 7 million people of Hong Kong. Hence, our talent pool, in general, is still relatively small. Under these circumstances, we should pay more attention to the need of cherishing talents.

Hence, today, we have examined two main aspects. Firstly, it is the executive function of our government. This function is greater than what we have imagined and its workload is far more than what we have conceived. Secondly, it is the supply of talents. The pool of our talents is relatively small. We need to look at the combination of these two aspects. It is our hope that we can devote every social support and understanding to the process of governance, thus improving the authority and effectiveness of our administrative governance continuously. Thank you very much.