Governance Crisis in Post-1997 Hong Kong: A Political Economy Perspective

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Abstract

This paper is an attempt to analyse the origins of the present governance crisis in post-1997 Hong Kong. We see the growing social discontent and political contentions emerging in post-colonial Hong Kong as symptoms of more fundamental changes. In our review of the existing literature on the impacts of institutional changes on Hong Kong’s political governance, it is pointed out that the present governance crisis cannot be explained simply in terms of growing demands coming from the civil
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society or leadership failure. Based upon an analysis of the changing configuration of business groups, we argue that the social foundation of an administrative state, which was once perceived as one of the institutional pillars of Hong Kong’s success, has been eroded by a tendency towards de-centring in the formation of business interests. The failure to build a new state-business alliance and form a governing coalition with the capitalist class is a structural weakness of the Hong Kong Special Administrative Region government in developing its governing capacity and political leadership.

Introduction

Post-1997 Hong Kong was in disarray. It was characterized by emerging social tensions and frequent political rumblings. On 1 July 2003, the sixth anniversary of Hong Kong’s return to China, it was reported that about half a million citizens from all walks of life, many of them middle class, joined a mass protest. This mass protest was an outburst of social, economic and political grievances. It symbolized the response of the public to the performance of the government of the Hong Kong Special Administrative Region (SAR) under the leadership of the Chief Executive Tung Chee-hwa. Similar mass mobilizations, however of a smaller scale, were staged on 1 January and 1 July 2004. Largely as an outcome of growing discontent, Tung Chee-hwa resigned from the post of Chief Executive of the Hong Kong SAR government in March 2005, without completing his term of office.

The mass protests were expressions of discontent with diverse sources. Some saw the governance of the Tung administration as a challenge to Hong Kong society’s core values. Others concentrated on political and economic issues and were critical of the Hong Kong SAR government’s unpopular initiatives in those policy domains (most notable examples were Tung’s attempt to regulate the housing market and to embark upon the legislative process of enacting laws to prohibit any act of subversion against the central government). But what really united critical voices from different corners of Hong Kong society was the failure of the Tung administration to carry out effective governance. Its policies swung from one extreme to the other, making compromises and major revisions in the face of fierce opposition before those policy initiatives had made their impact. More interestingly, parties critical of the Hong Kong SAR government were not confined to the middle class and the grassroots, who