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State-Society Conflicts under Hong Kong's Hybrid Regime

Governing Coalition Building and Civil Society Challenges

ABSTRACT

Similar to its colonial predecessor, the post-colonial Hong Kong state relies on its business allies to mediate state-society relations. Nevertheless, because of the erosion of the intermediary role of business elites, the state-business alliance now struggles to accommodate the rising challenges of civil society. The case of Hong Kong offers an interesting case study to the literature on hybrid regimes.

KEYWORDS: hybrid regimes, state-society relations, civil society, state-business alliance, governance, Hong Kong

RECENT COMPARATIVE STUDIES ON HYBRID REGIMES have pointed out that the capacity of authoritarian states to accommodate societal challenges is largely determined by their power to engineer a viable governing coalition (or a governing party) with extensive networks of mass organizations and strong activist bases.¹ From this perspective, the post-colonial Hong Kong state offers an interesting case study to validate this theory in the East Asian context. Since the handover of sovereignty in 1997, Hong Kong has evolved into a hybrid regime featuring a limited electoral franchise and strong civil liberties, as well as an increasingly active civil society. Despite the tremendous political changes over the past decades, the post-colonial state still mainly relies on its traditional allies in the business sector to mediate state-society relations. Nevertheless, because of the erosion of the mediating role of the

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I. Steven Levitsky and Lucan A. Way, *Competitive Authoritarianism: Hybrid Regimes after the Cold War* (New York: Cambridge University Press, 2010), pp. 62–64.

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business elites, the state-business alliance as inherited from its colonial predecessor can no longer furnish the post-colonial state with sufficient capacity to accommodate the challenges of civil society activism, thereby plunging it into a political quagmire of state-society conflicts. Drawing upon Levitsky and Way's theories on hybrid regimes, this paper puts forward a state-centric perspective to account for the governance crisis in post-colonial Hong Kong.

The remainder of this article is divided into five sections. Section One briefly reviews the concepts of hybrid regimes and Levitsky and Way's theories on governing coalition building in authoritarian states. Section Two traces the evolution of Hong Kong's hybrid regime. Section Three discusses the rise of civil society activism in post-colonial Hong Kong. Section Four examines the vulnerabilities of the state-business alliance in accommodating the challenges of civil society activism. The conclusion of this paper articulates a state-centric perspective to understand Hong Kong's governance crisis after 1997.

GOVERNING COALITION BUILDING IN HYBRID REGIMES

The Capacity of Authoritarian Incumbents to Accommodate Societal Challenges

In recent years, there have been increasing discussions on the notion of "hybrid regimes," which by definition combines both democratic and authoritarian elements.² This new wave of scholarly attention is attributable to the fact that the number of hybrid regimes is growing rapidly. According to *Freedom in the World 2013* published by Freedom House,³ 58 out of the 195 countries around the globe could be considered "Partly Free" hybrid regimes⁴ (which feature both limited political rights and civil liberties),

2. Larry Diamond, *Developing Democracy: Toward Consolidation* (Baltimore, Md.: Johns Hopkins University Press, 1999).

3. Freedom House, *Freedom in the World 2013* (New York: Freedom House, 2013), accessed June 24, 2013, <<http://www.freedomhouse.org/report/freedom-world/freedom-world-2013>>.

4. Freedom House's "Freedom in the World" project, which classifies political systems into "Free," "Partly Free," and "Not Free," is the most prominent indicator employed by political scientists in measuring the number of hybrid regimes in the world. Other indicators include the Economist Intelligence Unit's "Index of Democracy" and the Center for Systemic Peace's "Polity IV Project." For more details, see Henry E. Hale, "Hybrid Regimes: When Democracy and Autocracy Mix," in Nathan J. Brown, ed., *The Dynamics of Democratization: Dictatorship, Development, and Diffusion* (Baltimore, Md.: Johns Hopkins University Press, 2011), pp. 23–45.

representing 30% of the world's countries and covering about 23% of the world population.

The notion of hybrid regimes is built upon the understanding that competitive election is a necessary but not sufficient condition for democracy.⁵ From this perspective, democracies should not only be defined as a system of competitive and regular elections but should also encompass liberalized political participation and the protection of civil rights. Following Robert Dahl's classical theories of polyarchies, theorists of hybrid regimes considered competitive elections and civil liberties to be the two basic dimensions of modern democracy. Only when both are present can such a political regime be categorized as "full democracy," while a regime should be classified as "full authoritarianism" when neither dimension exists. Between these two opposite poles of full democracy and full authoritarianism, there are two typical forms of hybrid regimes, namely, "liberal authoritarianism" (also known as "semi-authoritarianism") and "electoral authoritarianism" (also known as "semi-democracy").⁶

Comparative political studies have long recognized that the coexistence of democratic and authoritarian elements within a single political regime would usually be an inherent source of political conflict.⁷ In this connection, much of the hybrid regime literature in the 1990s put emphasis on discussing the role of opposition forces in undermining the governance and stability of authoritarian regimes.⁸ In other words, the 1990s literature is fundamentally an opposition-centered explanation of the politics of hybrid regimes, assuming that they are by nature transitional, moving toward democratic transition because of the presence of opposition movements.⁹

The latest comparative studies on hybrid regimes, however, indicate that overemphasis on the role of opposition forces means, in effect, looking at one

5. Larry Diamond, "Thinking about Hybrid Regimes," *Journal of Democracy* 13:2 (2002), pp. 21–35.

6. William Case, "Hybrid Politics and New Competitiveness: Hong Kong's 2007 Chief Executive Election," *East Asia* 25:4 (2008), pp. 365–88.

7. Jack Goldstone et al., "A Global Forecasting Model of Political Instability," paper prepared for the Annual Meeting of the American Political Science Association, 2005, <<http://globalpolicy.gmu.edu/pitf/PITFglobal.pdf>>, accessed June 24, 2013.

8. See Steven M. Fish, *Democracy from Scratch: Opposition and Regime in the New Russian Revolution* (Princeton, N. J.: Princeton University Press, 1995); Michael Bratton and Nicolas van de Walle, *Democratic Experiments in Africa: Regime Transitions in Comparative Perspective* (New York: Cambridge University Press, 1997); Elisabeth Jean Wood, *Forging Democracy from Below: Insurgent Transitions in South Africa and El Salvador* (New York: Cambridge University Press, 2000).

9. Levitsky and Way, *Competitive Authoritarianism*, p. 25.

side of the coin while overlooking the other. The 1990s literature basically ignored the considerable variation in the capacity of authoritarian states to accommodate and resist opposition challenges. In their comparative study *Competitive Authoritarianism: Hybrid Regimes after the Cold War*, Levitsky and Way examined the trajectories of 37 hybrid regimes in the post-Cold War era and found that hybrid regimes did not uniformly democratize, as assumed in the 1990s literature. Rather, Levitsky and Way's empirical studies indicated that these authoritarian governments have followed three broad regime pathways:

- 14 have democratized (with authoritarian regimes removed and democratic ones firmly established, including Mexico, Peru, Serbia, Bulgaria, Croatia, Slovakia, and Taiwan);
- 12 are seen as unstable authoritarianisms (authoritarian incumbents removed from power but replaced by new ones, e.g., Albania, Georgia, Haiti, and Senegal); or
- the remaining 11 cases are stable authoritarianisms (authoritarian regimes remain stable and are effective in accommodating the challenges of opposition forces, e.g., Armenia, Cambodia, Cameroon, Malaysia, Russia, and Zimbabwe).¹⁰

According to the cross-national studies conducted by Levitsky and Way, such diversity of regime outcomes may be explained by the varying capacity of authoritarian states to accommodate opposition challenges.¹¹ Unlike autocratic rulers in full authoritarian systems, authoritarian incumbents in hybrid regimes need to manage a number of actors that challenge their governance, including opposition parties, media, judges, and civil society groups in

10. Levitsky and Way, *Competitive Authoritarianism*, pp. 20–22.

11. Apart from the strength of the authoritarian regimes in resisting opposition challenges (domestic variable), Levitsky and Way analyzed that the different regime trajectories could also be explained by the regimes' linkages with the West (international variable). According to them, "Western leverage" (the power of the West to use threat, conditionality, and other forms of pressure to punish the authoritarian regimes) and "linkages to the West" (political; economic; technocratic; social and diplomatic ties; and cross-border flow of capital, people, information, goods, and services) will raise the cost of maintaining the authoritarian regimes, and the authoritarian incumbents will be more likely to cede power to democratic reforms. When ties to the West are less extensive, international pressure for democratization will be weaker, and the domestic variable (the strength of the authoritarian incumbents) will be weighted more heavily. For the purpose of this article, we focus on discussing the domestic variable, which is more closely relevant and applicable to Hong Kong's contexts.

different arenas of contestation (election, legislatures, and courts). To sustain their regimes, authoritarian incumbents must put in place an organizational machinery, usually in the form of a governing party or governing coalition, for managing different political challenges. The authors' studies show that where authoritarian incumbents are supported by strong governing party organizations, the incumbents are more likely to enhance elite cohesion, win elections, and maintain control over the legislative process, even amid strong opposition challenges. When the authoritarian incumbents lack organizational tools and the governing parties or coalitions are generally weak, they are more likely to fall, despite the weakness of opposition movements.¹² Levitsky and Way concluded that authoritarian incumbents supported by well-organized governing parties or governing coalition have a stronger capacity to overcome the inherent instabilities of hybrid regimes.¹³

THE POLITICS OF HYBRID REGIMES IN HONG KONG: BEFORE AND AFTER 1997

In the context of comparative studies, Hong Kong is an interesting case of a hybrid regime. In the colonial era, the British administration entrenched a liberal authoritarian regime in the city-state: Political powers were concentrated in the hands of the colonial state headed by the governor, and the people of Hong Kong were denied the rights to choose their own government though democratic elections. Nonetheless, a high level of civil liberties, on a par with many Western democratic regimes, was in place for many decades.

The formation of the Hong Kong Special Administrative Region (HKSAR) in 1997 did not change the liberal authoritarian regime; various civil liberties have been guaranteed under the Basic Law governing Hong Kong after retrocession to China. On the other hand, while democratization has been underway since the mid-1980s, Hong Kong is far from having developed into a full-fledged democracy, because of its limited electoral franchise. Nowadays, half of the seats in the Legislative Council are chosen

12. While Levitsky and Way examined how the governing coalition building will affect the capacity of the authoritarian incumbents to accommodate opposition challenges, recently studies highlight the role of a governing party in maintaining cohesion among ruling elites under hybrid regimes. See Jason Brownlee, *Authoritarianism in an Age of Democratization* (New York: Cambridge University Press, 2007); and Dan Slater, *Ordering Power: Contentious Politics and Authoritarian Leviathans in Southeast Asia* (Cambridge: Cambridge University Press, 2010).

13. Levitsky and Way, *Competitive Authoritarianism*, pp. 54–68.

by popular election, but the Chief Executive, who replaced the colonial Governor as government head after 1997, remains handpicked by an election committee controlled by Beijing and cannot be held accountable to the Hong Kong people.¹⁴ By maintaining a high degree of civil liberties and injecting some limited elements of democratic elections, Hong Kong's experience is unique in comparative studies and can be classified as a particular type of hybrid regime: Post-colonial Hong Kong is fundamentally a liberal authoritarian regime featuring some electoral authoritarian elements.¹⁵

The academic questions here are as follows: does Hong Kong, as a particular type of hybrid regime, experience the same inherent risk of political conflict commonly found in other hybrid regimes? If Hong Kong is seen to experience political rivalries and a crisis of governance, are these problems closely connected to the post-colonial state's failure in building governing coalitions? As noted above, the post-colonial state has had to contend with waves of civil society activism and is mired in a series of state-society conflicts. Before offering and elaborating on a state-centric perspective to explain this rise in state-society conflicts, we must first review the development of civil society in recent years.

THE RISE OF SOCIETAL CHALLENGES: WAVES OF CIVIL SOCIETY ACTIVISM

As a matter of fact, Hong Kong's civil society remained underdeveloped for much of the British colonial period. This stemmed mostly from the "refugee mentality" of the local population, which spawned only a low level of political mobilization and minimal popular expectations of the government.¹⁶ Only after the 1970s did local civil society become more active. With growing wealth and rapid socioeconomic development, Hong Kong people began to develop a stronger sense of local identity that replaced the previous immigrant-refugee mentality. People's aspiring political expectations resulted in the rise of pressure group politics and incoming waves of

14. Sui-kai Lau and Hsin-chi Kuan, "Between Liberal Autocracy and Democracy: Democratic Legitimacy in Hong Kong," *Democratization* 9:4 (2002), pp. 58–76.

15. Case, "Hybrid Politics and New Competitiveness."

16. Anthony Cheung, "Executive-led Governance or Executive Power 'Hollowed-out'—The Political Quagmire of Hong Kong," *Asian Journal of Political Science* 15:1 (2007), pp. 17–38.

social movements focused, for example, on anti-corruption issues and the promotion of Chinese as an official language.¹⁷

The real turning points spurring the rapid expansion of civil society activism were the Sino-British negotiations over the future of Hong Kong in 1982–84, and the June 4 Incident in China in 1989. These political controversies induced public participation in politics. With the rising political awareness of the Hong Kong people, the whole society became rapidly politicized. Research indicates that starting from the 1980s, Hong Kong people have become more active in pressing the government for an improved quality of life and for political and civic rights, resulting in a much higher incidence of social conflict than previously.¹⁸

The wave of civil society activism was further intensified after 1997. The political slogan “Hong Kong’s People Ruling Hong Kong” has, by intention or default, inspired the once-reticent public to make demands on the HKSAR government. The rise of civil society activism marked another important milestone in 2003 with July 1 protest rallies.¹⁹ In their wake, Hong Kong people say they generally feel “empowered and confident”; civil society has been galvanized over various policy advocacy activities.²⁰

The rise of civil society activism in recent years can be illustrated in four major aspects:

1. Expansion of the number of civil society groups and social protests: Statistics show that from 2001–12, the number of civil society groups grew by 119.5% from 13,910 to 30,531; concurrently, the number of social demonstrations tended to rise (see Figure 1).

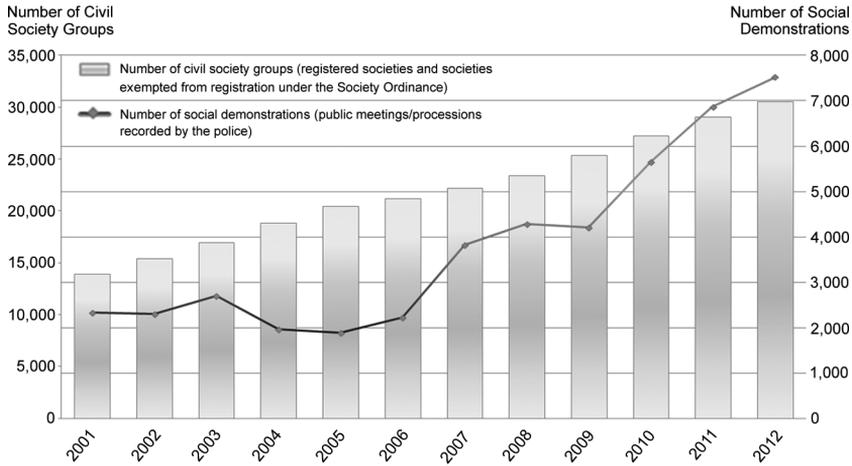
17. Po-keung Ip, “Development of Civil Society in Hong Kong: Constraints, Problems, and Risks,” in Li Pang-kwong, ed., *Political Order and Power Transition in Hong Kong* (Hong Kong: Chinese University Press, 1998), pp. 159–86.

18. Siu-kai Lau and Po-san Wan, “Social Conflicts: 1987–1995,” in Siu-kai Lau, ed., *Social Development and Political Change in Hong Kong* (Hong Kong: Chinese University Press, 2000), pp. 115–70.

19. In 2003, the Tung Chee-hwa administration introduced a national security bill in accordance with Article 23 of the Basic Law. The bill was seen by democrats and civil society activists as an attempt to restrict civil liberties. The relevant political controversies had finally brought about boiling public anger and prompted over half a million Hong Kong people to march in protest against the Tung administration on July 1, 2003. For details, see Joseph Cheng, “Introduction: The Causes and Implications of the July 1 Rally in Hong Kong,” in Joseph Cheng, ed., *The July 1 Protest Rally: Interpreting a Historic Event* (Hong Kong: City University of Hong Kong Press), pp. 1–2.

20. Elaine Chan and Joseph Chan, “The First Ten Years of the HKSAR: Civil Society Comes of Age,” *Asia Pacific Journal of Public Administration* 29:1 (2007), pp. 77–99.

FIGURE I. Number of Civil Society Groups and Social Demonstrations (2001 to 2012)



SOURCE: By the author, research based on figures provided by the Hong Kong Police Force.

2. Expansion of the forms of citizen participation: The channels for citizen action have been expanded from traditional methods such as demonstrations and voting, to new platforms including think-tanks, Internet mobilization, and religious groups.²¹
3. Expansion of the extent of citizen participation: Nowadays, citizen participation in local politics is no longer limited to the traditional professional sectors (e.g., lawyers, accountants, doctors, social workers, and teachers) but also encompasses mobilized ordinary citizens from different sectors (e.g., truck drivers, poultry workers, residents of urban communities, and young people).²²

21. In recent years, many think tanks have been formed to conduct policy advocacy activities, such as SynergyNet, Civic Exchange, and Professional Commons. The rapid development of the Internet has also facilitated the growth of Internet-based advocacy groups, such as the Inmedia and Left 21. Finally, religious groups such as the Catholic Commission for Justice and Peace and the Hong Kong Women Christian Council are also active in promoting human rights, labor, and women's rights issues. For details, see Wai-man Lam, "Political Context," in Wai-man Lam, Percy Luen-tim Lui, Wilson Wong, and Ian Holliday, eds., *Contemporary Hong Kong Politics: Governance in the Post-1997 Era* (Hong Kong: Hong Kong University Press, 2007), pp. 1-17.

22. Two notable examples were the campaign for protecting Victoria Harbor and the setting up of the H15 Concern Group. In the former case, a group of private citizens joined hands to protest against the further reclamation of Victoria Harbor for land. In the latter case, a group of housewives and ordinary residents with little political experience joined together to establish the H15 Concern Group, demanding participation in the Wanchai urban renewal project. For details, see Wai-man Lam and Irene Tong, "Civil Society and NGOs," in *ibid.*, pp. 135-54.

4. Expansion of the civil society policy agenda: Apart from traditional social policy areas such as housing, health care, and social welfare, civil society organizations increasingly pay attention to other policy areas such as environmental protection, culture, heritage protection, town planning, and urban renewal.²³

SIMILARLY IN THE STATE-BUSINESS ALLIANCE, DIFFERENT POLITICAL OUTCOMES

Erosion of the Intermediary Role of Business Elites after 1997

The rise of civil society activism has posed unprecedented challenges to the post-colonial state after 1997. Many local political scientists have already pointed out that nowadays Hong Kong civil society has become more active in challenging the governance of the post-colonial state, making it increasingly difficult to establish broad societal acceptance of government policies.²⁴ The Star Ferry Pier episode in 2006 was one of the cases most frequently cited by local scholars in illustrating how the waves of civil society activism have undermined governance.²⁵

23. The broadening of the civil society agenda has been illustrated in a number of incidents. In the case of protecting Victoria Harbor in 2003, for example, the Society for Protection of the Harbor succeeded in applying for judicial review against the Town Planning Board's decision on reclaiming 26 hectares of the Wanchai District waterfront. To demand a halt to reclamation work, the Society organized a series of activities such as "The Blue Ribbon Campaign" signature petition and mass rally. The campaign of the Society raised public awareness on the importance of environmental protection and demonstrated that capitalist values and infrastructural development are no longer the only values that matter in Hong Kong today. Another example was the case of the Hunghom Peninsula. In 2004, the New World Development and Sun Hung Kee Properties' plan to demolish the brand new Hunghom Peninsula met with strong opposition from green groups including Conservancy Association, Friends of the Earth (Hong Kong), Greenpeace (China), Green Power, and the World Wild Life Fund (Hong Kong). The green groups succeeded in demanding that the two property developers give up the demolition plan. In this incident, new values such as sustainable development and corporate social responsibility were articulated by the green groups to challenge the longstanding capitalist values of profit maximization. For more details about these two cases, see Yan-yan Yip and Christine Loh, "New Generation, Greening Politics, and Growing Civil Society," in Ming K. Chan, ed., *China's Hong Kong Transformed: Retrospect and Prospects beyond the First Decade* (Hong Kong: City University of Hong Kong Press, 2008), pp. 213–32.

24. Cheung, "Executive-led Governance or Executive Power 'Hollowed-out'—The Political Quagmire of Hong Kong."

25. As part of the Central Reclamation Phase III Project, the Star Ferry clock tower would be demolished. The government had followed the due process of public consultation by consulting the Legislative Council, District Council, and Antiquities Advisory Board, and the plan did not meet with strong opposition. Still, demolition work was blocked in December 2006 when a group of

While increasing challenges from civil society have undoubtedly created new governance problems for the post-colonial state as pointed out in the existing literature, one important question remains unanswered: Why does the post-colonial state fail to accommodate the challenges of civil society? In spite of its rapid expansion in recent years, it should be fair to say that civil society in Hong Kong is still far from having developed into full-fledged political society. Its mobilization power is still constrained by many factors such as inadequate financial and manpower resources, internal divisions, and the depoliticized values of Hong Kong people.²⁶ To use the words of Levitsky and Way, why does the authoritarian house of the post-colonial state fail to mediate the political challenges of a civil society that is not really vigorous by nature?

Moving beyond the existing opposition-centered explanation to adopt a state-centric perspective to re-examine the relationship, the answer is certainly related to the failure to build a viable governing coalition in the HKSAR era. Because the business sector has become increasingly disconnected from the local community since the handover, co-opted business elites are failing to fulfill their earlier role as intermediaries bridging the gap between the post-colonial state and the local community. As a consequence, the post-colonial state can no longer rely on its traditional political alliance with the business sector to maintain governance and accommodate the challenges of civil society.

The Intermediary Role of Business Elites in Colonial Hong Kong

In pre-1997 Hong Kong, the existence of a political alliance between the colonial state and the business sector was widely seen by academics as the foundation of effective governance.²⁷ The most notable feature of this alliance

protesters stormed the construction site. This incident, which spurred widespread political controversy, forced the government to review its built-heritage conservation policy. Following this incident, the HKSAR government launched a public consultation exercise and committed to expand the current built-heritage assessment criteria by incorporating the element of "collective memory." Many local academics like Cheung, as well as Chan and Chan, argued that this case illustrated that the post-colonial state is facing rising challenges from civil society.

26. Lam and Tong, "Civil Society and NGOs."

27. See John Rear, "One Brand of Politics," in Keith Hopkins, ed., *Hong Kong: The Industrial Colony: A Political, Social, and Economic Survey* (Hong Kong: Oxford University Press, 1971), pp. 55–139; and Tak-wing Ngo, "Changing Government-Business Relations and the Governance of

TABLE 1. Unofficial Members in the Executive Council and Legislative Council (1965–86)

		<i>Executive Council</i>					<i>Legislative Council</i>				
		1965	1970	1975	1982	1986	1965	1970	1975	1982	1986
Business	No.	5.5	6.5	6	6	7	10	8.5	9	11	23
	%	68.8	81.3	75	66.7	87.5	76.9	65.4	60	40.7	50
Professionals	No.	2.5	1.5	2	3	1	2	2.5	4	7	10
	%	31.2	18.7	25	33.3	12.5	15.4	19.2	26.7	25.9	21.7
Caring professionals	No.	0	0	0	0	0	0	1	2	6	11
	%	0	0	0	0	0	0	7.7	13.3	22.2	23.9
Labour	No.	0	0	0	0	0	0	0	0	3	2
	%	0	0	0	0	0	0	0	0	11.1	4.3
Others	No.	0	0	0	0	0	1	1	0	0	0
	%	0	0	0	0	0	7.7	7.7	0	0	0
<i>Total</i>	No.	8	8	8	9	8	13	13	15	27	46
	%	100	100	100	100	100	100	100	100	100	100

SOURCE: Adapted from Davies 1989.

NOTE: In 1965 and 1970, the figures for “Business” in the Executive and Legislative Councils were recorded as “5.5, 6.5, and 8.5,” respectively, so as to reflect those unofficial members who were both business persons and professionals.

was the extensive incorporation of business elites into the advisory system,²⁸ namely, the Executive Council (which functioned as the governor’s cabinet), the Legislative Council (which acted as the legislative arm of the colonial state), and other advisory committees (see Table 1).

Thanks to the intermediary role of co-opted business elites in the pre-1997 era, the state-business alliance effectively furnished the colonial state with a strong capacity to mediate state-society relations. In the colonial era, successful business persons, particularly local Chinese capitalists, were widely seen as the “natural leaders” of the community.²⁹ Their leadership status was

Hong Kong,” in Robert F. Ash, ed., *Hong Kong in Transition: The Handover Years* (New York: St. Martin’s Press, 2000), pp. 26–41.

28. Anthony Cheung and Paul C. W. Wong, “Who Advised the Hong Kong Government? The Politics of Absorption before and after 1997,” *Asian Survey* 44:6 (2004), pp. 874–94.

29. Leo F. Goodstadt, *Uneasy Partners: The Conflict between Public Interest and Private Profit Interest in Hong Kong* (Hong Kong: Hong Kong University Press, 2009), p. 99.

built upon their active participation in district organizations, dialect groups, trade associations, or charity groups. This intermediary role of local Chinese capitalists was best illustrated by the case of the Tung Wah Hospital. Comprising the most prestigious local Chinese capitalists, the directors of the Tung Wah Hospital Committee were widely recognized by both the public and the colonial state as representatives of the Chinese community. Given their social standing and official recognition, Tung Wah Hospital served as much more than a provider of welfare and medical services. It was in fact a “civic center” whose directors mediated issues of public concern such as municipal services, law and order, and the needs of local facilities. The directors brought matters to the government’s attention, thus effectively functioning as a nexus of interaction between the colonial state and the local Chinese community.³⁰

The leadership of the industrial and business elites within the community enabled them to function as an effective link between the colonial state and the Chinese population, giving rise to a unique form of “collaborative colonialism.”³¹ The business elites gave the colonial state two valuable assets in terms of mediating state-society relations. First, by co-opting prominent Chinese business persons into the advisory system, the colonial state enhanced its communication with the broader community while showing respect toward the local Chinese, thus forging a needed social support base for government policies.³² Second, by forming collaborative partnerships with business notables, the colonial state could draw on their community networks and resources to defend the colonial regime and accommodate social challenges in times of serious unrest. To cite a few examples, in the Seamen’s Strike of 1922, Chinese business leaders such as Liu Chu-po and directors of the Tung Wah Hospital played a key role in negotiating a settlement with the strikers. In the Canton [Guangzhou]-Hong Kong Strike/Boycott of 1925, business elites played a similar mediating role by publicly supporting the government, organizing a counter-propaganda campaign, and

30. For details, see Elizabeth Sinn, *Power and Charity: A Chinese Merchant Elite in Colonial Hong Kong* (Hong Kong: Hong Kong University Press, 2003).

31. Wing Sang Law, *Collaborative Colonial Power: The Making of the Hong Kong Chinese* (Hong Kong: Hong Kong University Press, 2009), p. 22.

32. Ambrose King Yeo-chi, “Administrative Absorption of Politics in Hong Kong: Emphasis on the Grass Roots Level,” in Ambrose Y. C. King and Rance P. L. Lee, eds., *Social Life and Development in Hong Kong* (Hong Kong: Chinese University Press, 1981).

recruiting hundreds of volunteers to maintain essential public services. In the 1967 riots, co-opted business elites stood firmly behind Governor David Trench and mobilized hundreds of business, professional, and community groups to pledge their support to the colonial government.³³

The Erosion of the Intermediary Role of Business Elites in Post-colonial Hong Kong

The political formula of maintaining governance through a state-business alliance was subsequently followed by the incoming sovereign state, the Chinese government, as the foundation of the HKSAR political order. In the 1980s, when Beijing leaders decided to resume Chinese sovereignty in Hong Kong under the framework of “one country, two systems,” their stated intention was to maintain institutional continuity in the territory by preserving the British colonial model of governance after 1997.³⁴ In this connection, the grand strategy of the Chinese government was to leave the colonial state/business alliance largely intact after the handover. Beijing leaders considered it necessary to maintain the pivotal position of the local capitalists in the future HKSAR governance system.³⁵

As part of Beijing’s overall strategy to maintain the state-business alliance after 1997, business elites have, as in the colonial past, formed the majority of the HKSAR political establishment. Empirical research on the post-1997 membership of the three central-level advisory committees of the Hong Kong government, namely, the Executive Council,³⁶ the Commission on Strategic

33. For more detailed discussion of the role of business elites in the Seamen’s Strike of 1922 and the Canton-Hong Kong Strike-Boycott of 1925, see Kit-ching Chan Lau, *China, Britain, and Hong Kong, 1895–1945* (Hong Kong: Chinese University Press, 1990); for the 1967 Riots, see Ray Yep, “The 1967 Riots in Hong Kong: The Domestic and Diplomatic Fronts of the Governor,” in Robert Bickers and Ray Yep, eds., *May Days in Hong Kong: Riot and Emergency in 1967* (Hong Kong: Hong Kong University Press, 2009), pp. 21–36.

34. Anthony Cheung, “Restoring Governability in Hong Kong: Managing Plurality and Joining up Governance,” in Julia Tao, Anthony Cheung, Martin Painter, and Chenyang Li, eds., *Governance for Harmony in Asia and Beyond* (New York: Routledge, 2010), pp. 158–85.

35. It was the intention of Beijing to make the local capitalists the majority of the future HKSAR political establishment so as to stabilize Hong Kong’s economy, facilitate China’s own economic reforms, and fend off the challenges of democrats. For more discussion about the strategic considerations of Beijing leaders, see Jiatus Xu, *Xu Jiatus Xianggang Huiyilu* [Xu Jiatus’s memoir on Hong Kong] (Taipei: Lianhebao, 1993).

36. Under Article 56 of the Basic Law, the Executive Council is an organ for assisting the Chief Executive in policy making. All major policy decisions are in principle made by “the Chief Executive

Development,³⁷ and the Central Policy Unit,³⁸ showed that business elites have always held majority seats in the HKSAR era (see Tables 2–4). Because these three institutions are the most important advisory bodies of the HKSAR government, the overrepresentation of the business sector has illustrated the post-colonial state’s attempt to follow in the footsteps of its predecessor to consolidate its governance and mediate state-society relations by extensively co-opting business elites.

While the post-colonial state has largely followed its colonial predecessor in engineering a state-business alliance, state-society relations in the HKSAR era have become increasingly conflictual. This paper argues that the rising level of state-society conflicts in post-colonial Hong Kong is not only the result of growing civil society activism, as pointed out by the existing literature.³⁹ This rise is also a demonstration of the powerlessness of the post-colonial state and its business allies in accommodating societal challenges. In this regard, the erosion of the intermediary role of the business elites is the principal reason for the declining capacity of the post-colonial state to resist the challenges of civil society.

There are three important reasons behind the growing disconnection of the business sector from the local community. First, the co-opted business elites have limited community networks and little connection with newly emerging civil society; therefore, unlike in the British colonial era, they are no longer considered by the public to be leaders of the community. During the colonial era, particularly before the 1970s, local Chinese capitalists were widely seen as the “natural leaders” of the Chinese community owing to their high credibility, prestige, and the community networks they had developed through their personal service in various district and welfare

in Council.” For details, see Pang-kwong Li, “The Executive,” in Lam et al., eds., *Contemporary Hong Kong Politics*, pp. 23–37.

37. The Commission on Strategic Development was established by the first Chief Executive, Tung Chee-hwa, in 1998 to discuss Hong Kong’s long-term development strategies. In 2005, the second Chief Executive Donald Tsang re-organized it as an important advisory body of the HKSAR government at the early stage of policy formulation. For details, see the Commission on Strategic Development website, at <http://www.cpu.gov.hk/tc/2009_csd.htm>.

38. While the Central Policy Unit’s principal role is a policy research unit in the HKSAR government, it also operates as an important advisory body by appointing part-time members from different sectors. For details, see the Central Policy Unit’s website, at <<http://www.cpu.gov.hk/tc/index.htm>>.

39. See Chan and Chan, “The First Ten Years of the HKSAR”; and Cheung, “Executive-led Governance.”

TABLE 2. Unofficial Members in the Executive Council (1998–2011)

<i>Occupational Background</i>	1998		1999		2000		2001		2002		2003		2004		2005		2006		2007		2008		2009		2010	
	No.	%																								
Politician	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	1	20.0	2	40.0	2	28.6	2	13.3	2	13.3	2	12.5	1	7.1	1	7.1
Business	6	54.5	6	54.5	6	54.5	5	50.0	4	44.4	2	40.0	1	20.0	3	42.9	6	40.0	6	40.0	6	37.5	5	35.7	6	42.9
Profession	2	18.2	2	18.2	2	18.2	2	20.0	2	22.2	1	20.0	1	20.0	1	14.3	4	26.7	4	26.7	4	25.0	4	28.6	4	28.6
Social services	1	9.1	1	9.1	1	9.1	1	10.0	1	11.1	0	0.0	0	0.0	0	0.0	1	6.7	1	6.7	1	6.3	1	7.1	1	7.1
Labour	1	9.1	1	9.1	1	9.1	1	10.0	1	11.1	1	20.0	1	20.0	1	14.3	1	6.7	1	6.7	1	6.3	1	7.1	1	7.1
Others	1	9.1	1	9.1	1	9.1	1	10.0	1	11.1	0	0.0	0	0.0	0	0.0	1	6.7	1	6.7	2	12.5	2	14.3	1	7.1
<i>Total</i>	11	100.0	11	100.0	11	100.0	10	100.0	9	100.0	5	100.0	5	100.0	7	100.0	15	100.0	15	100.0	16	100.0	14	100.0	14	100.0

SOURCE: Author's own research, based on the list of unofficial members provided by the Executive Council Secretariat.

NOTE: Politician = full-time Legislative Councillors and District Councillors; Business = chair persons, directors, executives, and managers from commercial corporations; Profession = professionals from legal, accounting, architecture, surveying, planning, engineering, medical, and health sectors; Social services = practitioners from education, community and social services, and religious sectors; Labour = trade unionists.

TABLE 3. Unofficial Members in the Commission for Strategic Development (2005–09)

<i>Occupational Background</i>	2005		2007		2009		<i>Total</i>	
	<i>No.</i>	<i>%</i>	<i>No.</i>	<i>%</i>	<i>No.</i>	<i>%</i>	<i>No.</i>	<i>%</i>
Politician	9	5.9	4	6.1	4	5.8	17	5.9
<i>Business</i>	64	42.1	29	43.9	31	44.9	124	43.2
Profession	26	17.1	9	13.6	10	14.5	45	15.7
Social services	41	27.0	18	27.3	16	23.2	75	26.1
Labour	3	2.0	3	4.5	3	4.3	9	3.1
Culture & media	7	4.6	2	3.0	2	2.9	11	3.8
Others	2	1.3	1	1.5	3	4.3	6	2.1
<i>Total</i>	152	100.0	66	100.0	69	100.0	287	100.0

SOURCE: Author's own research, based on the list of unofficial members provided by the Central Policy Unit.

NOTE: Culture & media = practitioners from the arts, culture, media, and publishing sectors.

organizations. However, the political networks of business elites have become increasingly obsolete since the 1970s, as a result of the gradual expansion of the Hong Kong government's role in the provision of social services. As such, the co-opted business elites have become increasingly remote from district and welfare organizations.⁴⁰

Unfortunately, most business elites have not yet realized the negative impact of their increasing disconnection from the community and have done nothing to re-establish such connections with the community by participating in mass politics. The underdevelopment of business-oriented political parties and their limited community networks is most illuminating. Because of their privileged access to political powers like chief executive election committees and functional constituencies in the Legislative Council, business elites are generally reluctant to get involved in popular elections, and their attitude toward organizing and sponsoring political parties has remained very negative.⁴¹ As such, business-oriented parties are underdeveloped and remain very much elite parties with limited community networks and insufficient

40. Goodstadt, *Uneasy Partners*, pp. 99–105.

41. Shiu-hing Lo, *Competing Chinese Political Visions—Hong Kong vs. Beijing on Democracy* (Santa Barbara, Calif.: Praeger Security International, 2010), pp. 196–98.

TABLE 4. Part-time Members in the Central Policy Unit (2003–11)

<i>Occupational Background</i>	2003		2004		2005		2006		2007		2008		2009		2010		2011		<i>Total</i>	
	<i>No.</i>	%	<i>No.</i>	%																
Politician	1	2.7	1	2.6	0	0.0	0	0.0	1	2.0	4	9.8	3	7.1	2	4.8	3	7.0	15	4.0
<i>Business</i>	9	24.3	11	28.2	15	38.5	18	43.9	22	43.1	19	46.3	22	52.4	20	47.6	23	53.5	159	42.4
Profession	7	18.9	8	20.5	9	23.1	7	17.1	11	21.6	5	12.2	7	16.7	8	19.0	3	7.0	65	17.3
Social services	17	45.9	16	41.0	11	28.2	15	36.6	15	29.4	12	29.3	9	21.4	12	28.6	14	32.6	121	32.3
Labour	2	5.4	2	5.1	2	5.1	1	2.4	1	2.0	1	2.4	0	0.0	0	0.0	0	0.0	9	2.4
Culture & media	1	2.7	1	2.6	2	5.1	0	0.0	1	2.0	0	0.0	0	0.0	0	0.0	0	0.0	5	1.3
Others	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	1	2.4	0	0.0	0	0.0	1	0.3
<i>Total</i>	37	100.0	39	100.0	39	100.0	41	100.0	51	100.0	41	100.0	42	100.0	42	100.0	43	100.0	375	100.0

SOURCE: Ibid. to Table 3.

TABLE 5. Community Networks of Major Political Parties

<i>Political Parties</i>	<i>Number of District Offices</i>	<i>Number of Elected District Councillors</i>	<i>Number of Appointed District Councillors</i>
<i>(1) Pro-democracy political parties</i>			
Democratic Party	78	50	0
Civic Party	19	12	0
Hong Kong Association for Democracy and People's Livelihood	20	16	0
League of Social Democrats	8	4	0
<i>(2) Pro-Beijing leftist political parties</i>			
Democratic Alliance for the Betterment and Progress of Hong Kong (DAB)	178	119	14
Hong Kong Federation of Trade Unions (HKFTU)	41	19	3
<i>(3) Business-oriented political parties</i>			
<i>Liberal Party (LP)</i>	22	7	8
<i>Economic Synergy (ES)</i>	2	1	2

SOURCE: Figures obtained from the various political parties in June 2011.

power of mass mobilization.⁴² Table 5 shows that compared with other political parties, the community networks of business-oriented political parties including the LP and ES are particularly weak in terms of their limited number of district offices and district councillors. In the face of the rise of civil society activism in recent years, most of the business elites remain ignorant of the values and policy agenda of social activists; they are generally out of touch with newly emerging civil society groups.⁴³ As a result of their limited community networks and connections with civil society, unlike in the British colonial era, the co-opted business elites can no longer be considered leaders of the community. In fact, they rarely possess recognizable political identities. It is therefore not surprising that in times of large-scale social movements, the co-opted business elites are powerless in mobilizing public opinion support and defending the policy decisions of the post-colonial state.⁴⁴

42. Ngok Ma, *Political Development in Hong Kong: State, Political Society, and Civil Society* (Hong Kong: Hong Kong University Press, 2007), p. 141.

43. Anonymous interview with two business-politicians on July 7 and August 8, 2011, respectively.

44. Anonymous interview with the chairman of a leading think tank on August 16, 2011.

Second, growing public suspicions of “government-business collusion” in recent years have created negative images for the business sector, eroding the credibility of co-opted business elites in the public eye. After 1997, there were growing public concerns that government officials provided preferential treatment for big businesses on several controversial projects (e.g., construction of Cyberport, the development of the West Kowloon Cultural District, and the sale of Hunghom Peninsula). The credibility of government officials and the business sector was severely challenged over these incidents.⁴⁵ As such, there are growing public suspicions of “government-business collusion,”⁴⁶ and people are dissatisfied with the dominance of “real estate hegemony.”⁴⁷ In recent years, suspicions of such collusion have even sparked an anti-business sentiment within society, resulting in a public discourse against the business sector (see Figure 2). This discourse has left a growing number of people with negative impressions of business leaders, who are seen as untrustworthy, profit-oriented, politically conservative, and not respectable (see Table 6). Thus, unlike the British colonial era when the co-opted business elites were widely seen as “respectable intermediaries” representing the Chinese community and helping the colonial state to carry local opinion,⁴⁸ the public image of business leaders has become extremely negative.⁴⁹ As a result, instead

45. Siu-lun Wong and Hong-tai Zeng, *Guan Shang Gou Jie: Xianggang Shi Min Yan Zhong de Zheng Shang Guan Xi* [Government-business collusion: Hong Kong people’s perception of government-business relations], University of Hong Kong, Hong Kong Culture and Society Programme, Occasional Paper Series, no. 3 (2006).

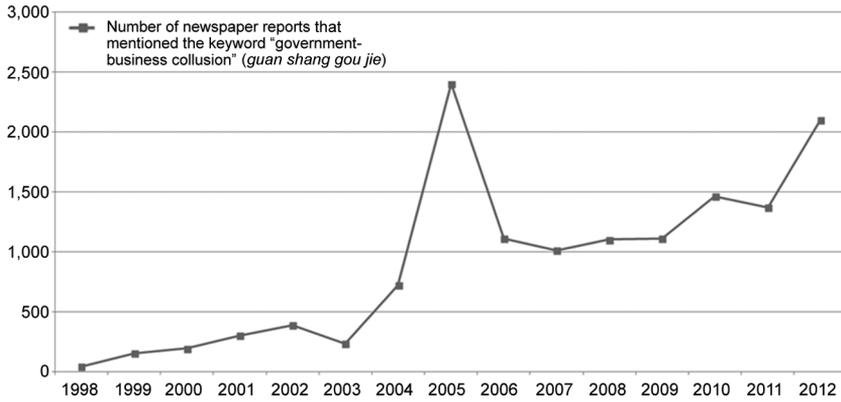
46. According to opinion polls conducted in 2011, over 62.3% of respondents agreed that business leaders have undue influence over political affairs in Hong Kong, while 82.9% of respondents believed that there is a transfer of interests between the HKSAR government and the business sector. For details, see Hong-tai Zeng and Po-shan Wan, *Zeng Yinquan Ren Nei Zheng Shang Guan Xi Di Bianhua* [The evolution of government-business relations under Donald Tsang], in Luo Jinyi and Zheng Yushuo, eds., *Liu Gei Liang Zhenying De Qi Ju: Tong Xi Zeng Yinquan Shi Dai* [On the chessboard: Donald Tsang’s legacy for C. Y. Leung] (Xianggang: Xianggang Cheng Shi Da Xue Chu Ban She, 2013), pp. 49–74.

47. The notion of “real estate hegemony” comes from a popular book called *Di Chan Ba Quan* [Real estate hegemony]. This book examined the dominance of property giants in Hong Kong’s economic arena. For details, see Alice Poon, *Di Chan Ba Quan* [Land and the ruling class in Hong Kong] (Xianggang: Tian Chuang Chu Ban She You Xian Gong Si, 2010).

48. Goodstadt, *Uneasy Partners*, p. 138.

49. Unfortunately, the occasional “conservative comments” made by business leaders on local politics have further damaged the public image of the business sector. For example, in 2004 Ronnie Chan Chi-chung, chairman of the Hang Lung Group, openly remarked that “under-educated, and those who did not pay tax would elect candidates who stood for more social welfare spending, which would turn Hong Kong into a ‘welfare state’.” Undoubtedly, this kind of politically conservative

FIGURE 2. Development of a Public Discourse against the Business Sector in the Post-handover Period



SOURCE: Author's own research, based on the information obtained from the WiseNews electronic platform. The research counted the number of newspaper reports that mentioned the above between 1998 to 2011. The local newspapers covered in this research are *Apple Daily*, *Hong Kong Commercial Daily*, *Hong Kong Daily News*, *Hong Kong Economic Journal*, *Hong Kong Economic Times*, *Ming Pao Daily News*, *Oriental Daily News*, *Sing Pao*, *Sing Tao Daily*, *Ta Kung Pao*, *The Sun*, and *Wen Wei Po*.

TABLE 6. Public Perceptions on Business Leaders

Question	% of Respondents	
	2006 Survey	2011 Survey
<i>(1) Public trust in business leaders</i>		
Distrust	25.3	38.8
Half-half	54.8	48.0
Trust	19.9	13.2
<i>(2) Public opinion on whether business leaders are profit-oriented and anti-democracy</i>		
Very agree or agree	46.6	54.5
Moderate	27.0	27.0
Disagree or very disagree	26.4	18.5
<i>(3) Public opinion on whether business leaders have any respectable characters</i>		
No	43.2	52.2
Yes	56.8	47.8

SOURCE: Zheng and Wan 2013.

of mobilizing societal support for the post-colonial state, co-opted business elites struggle to earn the respect of Hong Kong people. The endorsement of co-opted business elites on a government initiative has even sparked counterproductive results and become the target of public criticism.

Finally, the business sector's longstanding ideological weapon of "economism" has grown increasingly out of touch with the public; thus, the co-opted business elites struggle to defend the pro-business policy agenda in the public sphere. In the colonial era, the discourse of economism, which emphasized the importance of economic growth and its contribution to the improvement of people's livelihoods, perpetuated the domination of the state-business alliance. By reinforcing the idea that the general public would be better off under the free market and everyone could move up the social ladder through hard work, the ideology of economism sustained public acceptance for pro-business policies and neutralized social inequalities.⁵⁰ However, in recent years Hong Kong economic growth has been coupled with the trend of growing income disparity. Since its transformation into an international financial and business services center in the 1990s, Hong Kong has been characterized by dual social structures where the incomes of high-skilled manager-professionals and low-skilled basic workers have become polarized.⁵¹ As income inequality becomes a structural rather than a cyclical phenomenon in Hong Kong, more and more people begin to doubt that pro-business policies and free market capitalism are really good for the whole society (see Table 7). As such, the political narrative of economism is becoming less appealing to the public and less effective in countering civil society's growing demands for social justice.⁵² The gradual erosion of the discourse of economism has undermined the credibility of co-opted business elites and deprived them of an important ideological weapon to defend and justify the pro-business policies of the post-colonial state.

comment has further disqualified business elites as intermediaries between the post-colonial state and civil society. See "Tycoon Warns on Protests," *The Standard*, April 29, 2004.

50. Susan J. Henders, "The Hong Kong Special Administrative Region: Implications for World Order," in André Laliberté and Marc Lanteigne, eds., *The Chinese Party-State in the 21st Century: Adaptation and the Reinvention of Legitimacy* (New York: Routledge, 2008), pp. 106–29.

51. Tai-lok Lui and Stephen Chui, *Hong Kong: Becoming a Chinese Global City* (London: Routledge, 2009), pp. 81–102.

52. Henders, "The Hong Kong Special Administrative Region."

TABLE 7. Public Perceptions on the Political Discourse of Economism (%)

	2006 Survey	2011 Survey
<i>Public opinion on the statement "Do you think the HKSAR Government should avoid intervening in the operation of market?"</i>		
Very agree or agree	57.5	47.3
Moderate	23.5	25.7
Disagree or very disagree	19.0	27.0
<i>Public opinion on the statement "Do you think allowing business leaders to maximize profits is good for everyone?"</i>		
Very agree or agree	30.7	20.9
Moderate	29.7	22.9
Disagree or very disagree	39.6	56.2

SOURCE: Ibid. to Table 6.

Although the preceding discussions have clearly illustrated the erosion of the intermediary role of business elites after 1997, in establishing the powerlessness of the post-colonial state to accommodate civil society activism, we need to qualify one potential important factor: the role of pro-Beijing leftists in mediating state-society relations. As shown in Table 5 above, although the community networks of business-oriented political parties including the LP and the ES are obviously weak, pro-Beijing political parties, namely the DAB and the HKFTU have maintained extensive local networks. Therefore, one important question we must answer is the following: Why does the post-colonial state, given the erosion of the intermediary role of the business elites, not turn to the pro-Beijing parties for support and make use of their community networks to mediate its relations with society?

There are three key factors that significantly hinder the pro-Beijing leftists from playing a bridging function between the post-colonial state and civil society. Firstly, the pro-Beijing leftists from the DAB and the HKFTU were only marginal actors in the post-colonial governing coalition. Going back to the mid-1980s, Beijing leaders had already decided to engineer a governing coalition with business elites forming the core of the alliance and the leftists playing only a marginal role.⁵³ Such a governing strategy was largely followed

53. Ma, *Political Development in Hong Kong*, p. 70.

by the first two HKSAR Chief Executives, Tung Chee-hwa (1997–2005) and Donald Tsang Yam-kuen (2005–12).⁵⁴ With no real executive power in terms of cabinet positions and no actual influence in the policy-making process, the DAB and the HKFTU are generally incapable of aggregating and channeling social interests.⁵⁵ As a consequence of such a loose partnership between the post-colonial state and the pro-Beijing leftists, the DAB and the HKFTU have played a marginal role in mediating state-society relations, making the intermediary role of business elites an overriding factor that determines the capacity of the post-colonial state to accommodate social challenges.

Second, the community networks forged by the pro-Beijing leftists have their own limitations. The DAB and the HKFTU have established an extensive network of united front organizations covering trade unions, neighborhood bodies, and youth and women groups, and such united-front machinery has occasionally been rolled out post-1997 to support the post-colonial state in times of major political controversy. Still, the grass-roots orientation and politically conservative outlook of the leftist organizations have made them basically disconnected from the middle class and particularly the newly emerged civil society organizations. For this reason, the DAB and the HKFTU have proved ineffective in mobilizing mainstream public opinion support for the post-colonial state.⁵⁶ Third, similar to all other pro-democracy and pro-government parties in Hong Kong, the DAB and the HKFTU operate within an atmosphere of public skepticism of party politics.⁵⁷ When the vast majority of Hong Kong's people consider

54. For details, see Siu-kai Lau, *Hui Gui Shi Wu Nian Yi Lai Xianggang Te Qu Guan Zhi Ji Xin Zheng Quan Jian* [15 years of HKSAR governance and new regime building since the handover] (Xianggang: Shang Wu Yin Shu Guan, 2012), pp. 69–191.

55. Ma, *Political Development in Hong Kong*, p. 153.

56. Christine Loh, *Underground Front: The Chinese Communist Party in Hong Kong* (Hong Kong: Hong Kong University Press, 2010), pp. 207–08.

57. In Hong Kong, people's negative impression of party politics is closely related to various obstacles that hinder the development of political parties. It is an open secret that the Chinese government does not want to see vibrant party politics in Hong Kong, and in fact the HKSAR Chief Executive is prohibited by Section 31 of the Chief Executive Election Ordinance from being a member of a political party, making it impossible to form a governing party in Hong Kong. Therefore, unlike political parties in Western democracies, parties in Hong Kong are only active in the Legislative Council, and cannot exercise any real influence on delivering governance and steering policy-making. Under such circumstances, the public has gradually gained an impression that political parties only engage in endless rhetorical battles within the legislature or merely made

TABLE 8. Hong Kong People's Supporting Ratings on Major Political Parties

<i>Political Party</i>	<i>% of Respondents</i>
<i>Public opinion on the statement "Which Hong Kong's political party do you support?"</i>	
DAB	10.6
Democratic Party	7.5
Civic Party	5.1
People's Power	4.2
HKFTU	2.1
Labour Party	2.0
LP	1.7
League of Social Democrats	1.5
New People's Party	0.8
Hong Kong Association for Democracy and People's Livelihood	0.7
Others	1.9
No/Non-partisan	59.8
Don't know/difficult to say	1.9

SOURCE: "Survey on Public Attitudes on Political Parties," Hong Kong Institute of Asia-Pacific Studies, Chinese University of Hong Kong, November 28, 2012, at <http://www.cuhk.edu.hk/hkiaps/tellab/pdf/telepress/12/Press_Release_20121128.pdf>, accessed July 2013.

themselves non-partisan and both the DAB and the HKFTU have commanded only very low support ratings in opinion polls (see Table 8), the post-colonial state simply could not rely on the pro-Beijing leftists to engineer a social support base for its governance.

To sum up, because of the erosion of the intermediary role of the business elites (and also the limited role of the pro-Beijing leftists in mediating state-society relations), even though the post-colonial state can still press through its policies by resorting to the pro-government majority in the Legislative Council (i.e., the support of business-professional legislators from the functional constituencies and pro-Beijing leftist legislators), it cannot rely on the support of co-opted business elites to manage the rising challenges of civil society activism and mobilize sufficient social support for its governance. In times of growing state-society conflict, co-opted business elites are generally

acrimonious criticisms against government officials, without doing anything concrete to resolve real-life problems. For details, see Ma, *Political Development in Hong Kong*, pp. 117–34.

powerless in bridging the widening gap between the post-colonial state and civil society.

The Case of the Express Rail Link

The controversies surrounding the construction of the Hong Kong section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link in 2009–10 (hereafter, Express Rail Link) illustrate how the growing disconnection of business elites has undermined the capacity of the post-colonial state in accommodating the challenges of civil society. Connecting Hong Kong with the national high-speed rail network, construction of the Express Rail Link is supposed to bring enormous benefits to Hong Kong's socioeconomic development and foster its integration with the Mainland.⁵⁸ However, the Express Rail Link project has attracted strong opposition from some villagers from the Choi Yuen Tsuen (Village), who refused to move out of their homes to make way for the construction work. These villagers, together with a group of heritage activists, launched a series of social movements to voice their opposition to the construction project. The protests organized by the Choi Yuen villagers and the heritage activists successfully aroused public attention on the Express Rail Link project. The alternative rail route proposal⁵⁹ put forth by the Professional Commons, a think-tank formed by professionals such as lawyers, engineers, accountants, and academics, added further doubts to the cost effectiveness of the Donald Tsang administration's proposal. By the end of 2009, there had been an important change in public opinion, with polls showing that more and more people expressed reservations about the project.⁶⁰

58. Transport and Housing Bureau, *Hong Kong Section of Guangzhou-Shenzhen-Hong Kong Express Rail Link*, Legislative Council Brief for the Subcommittee on Matters Relating to Railways of the Legislative Council Panel on Transport (Hong Kong: Transport and Housing Bureau, 2008), <http://www.legco.gov.hk/yr07-08/english/panels/tp/tp_rdp/papers/tp_rdp-thbtrt1658199-e.pdf>, accessed in May 2012.

59. The Professional Commons challenged the government's plan to locate the Hong Kong terminus for the Express Rail Link at West Kowloon. Experts from the Professional Commons argued that it was more cost effective to locate the terminus at Kam Sheung Road so as to integrate the Express Rail Link with the existing West Rail Link and Airport Railway. For details, see Professional Commons, *Hong Kong Interchange Option—A Cheaper, Faster, and Better Express Rail Link* (Hong Kong: Professional Commons, 2009), <<http://www.procommons.org.hk/hong-kong-interchange-option-a-cheaper-faster-and-better-express-rail-link?lang=en>>, accessed in May 2012.

60. According to an opinion poll conducted by the University of Hong Kong in January 2010, 47% of respondents supported the Hong Kong government's funding proposals for the Express Rail Link. However, 23% of respondents opposed the funding proposals, and another 22% wanted to put

In the face of widespread public concern about the Express Rail Link project, the Tsang administration tried to counter the civil society opposition campaigns by mobilizing the support of its business allies. The Executive Council approved the Express Rail Link project on October 20, 2009, and those unofficial Executive Councillors with business backgrounds gave high-profile support to the project by highlighting its potential economic benefits.⁶¹ The Mass Transit Railway Corporation, an alliance of 67 business chambers and the major business associations, also placed full-page newspaper advertisements calling on the public to support the project.⁶² With the support votes of business and professional legislators returned by functional constituencies, the Tsang administration finally secured the endorsement of the Legislative Council Finance Committee to approve the relevant funding proposals in January 2010.⁶³

While the support of business elites in both the Executive Council and the Legislative Council allowed the Donald Tsang administration to successfully push through the Express Rail Link proposal, it did not help establish broad societal support for the project within the wider community. The co-opted business elites, due to their limited community networks and disconnection from the civil society organizations, were generally powerless in bridging the gap between the post-colonial state and the anti-Express Rail Link activists.⁶⁴ And during the deliberation over the funding proposals in the Legislative Council, the support of business legislators from the functional constituencies proved counterproductive and brought about public suspicion of a “transfer of interests” because several business legislators such as Raymond Ho and

them on hold. Opinion polls showed that public opinion was divided over the project. For details, see University of Hong Kong, Public Opinion Programme, “HKU POP SITE Releases Second Survey on Express Rail Link,” January 14, 2010, <<http://hkupop.hku.hk/chinese/release/release729.html>>, accessed in May 2012.

61. For example, unofficial Executive Councillors Leung Chun-ying and Ronald Arculli both argued that the construction of the Express Rail Link is crucial to Hong Kong-Mainland integration and will boost economic development in the territory. For details, see “Executive Councillors Support the Early Construction of Express Rail Link,” *Hong Kong Commercial Daily*, January 13, 2010, p. A13.

62. “Battle Waged in Newspaper Advertisements,” *South China Morning Post*, January 14, 2010, p. 2.

63. For the roll-call vote results, see Legislative Council Secretariat, *Record of Decisions of the Legislative Council Finance Committee Meeting, Held on January 15–16, 2010*, <<http://www.legco.gov.hk/yr09-10/english/fc/fc/general/meetings.htm#100115>>, accessed in May 2012.

64. Anonymous interview with a leader of the anti-Express Rail Link campaign, July 29, 2011.

Abraham Shen were found to hold directorships in construction companies that would benefit from the project.⁶⁵ Amid the controversy, the state-business alliance found that its political discourse of economism had become less useful in shaping public opinion. Although the government officials and their business allies had been trying very hard to highlight the economic values of the Express Rail Link, they were severely criticized for promoting “central values” that paid too much attention to economic competitiveness but ignored growing public concerns on post-materialistic values such as environment, heritage, and neighborhood.⁶⁶

As a consequence of the vulnerability of the state-business alliance in accommodating the challenges of civil society groups, following the passage of the funding proposals the Tsang administration paid a heavy political price in terms of its credibility and public image for pressing ahead with the project.⁶⁷ In a word, the case of Express Rail Link clearly demonstrated that the state-business alliance in its existing setting is no longer an effective governing machine that the post-colonial state can rely upon to thwart civil society challenges and mediate state-society relations.

CONCLUSION: FROM AN OPPOSITION-CENTERED EXPLANATION TO A STATE-CENTRIC PERSPECTIVE

Emerging literature on hybrid regimes emphasizes that the capacity of authoritarian incumbents to overcome opposition challenges is largely determined by the robustness of their governing-party organizations.⁶⁸ From this perspective, this paper has provided a good case study to validate the analysis of this emerging literature in the East Asian context. As we have shown, in the face of rising challenges from civil society, the post-colonial Hong Kong state

65. “Raymond Ho and Abraham Shen Were Forced to Withdraw from Legco Meeting on Express Rail Link amid Accusations of Conflict of Interests,” *Apple Daily*, December 3, 2009, p. A06.

66. “The Delay of the Funding Proposal of the Express Rail Link Exposed Social Contradictions,” *Hong Kong Economic Journal*, January 9, 2010, p. P02.

67. According to a poll conducted by the University of Hong Kong in January 2010, the respective support rate and approval rate of Chief Executive Donald Tsang dropped sharply by 2.8 marks and 4% following the passage of the Express Rail Link proposals. For details, see University of Hong Kong, Public Opinion Programme, “HKU POP SITE Releases the Latest Popularity Figures of CE Donald Tsang,” January 26, 2010, <<http://hkupop.hku.hk/chinese/release/release733.html>>, accessed in May 2012.

68. See Brownlee, *Authoritarianism in an Age of Democratization*; Slater, *Ordering Power*; Levitsky and Way, *Competitive Authoritarianism*.

is handicapped by its narrowly based, loose governing coalition with the business sector. Unlike their colonial predecessors, business elites after 1997 no longer command the necessary community networks, public reputation, and ideological weapons to mediate state-society relations. While Hong Kong was moving over the past few decades toward a hybrid regime featuring a limited electoral franchise, strong civil liberties, and an increasingly active civil society, the post-colonial state and its business allies were slow to re-engineer their governing coalition to accommodate the changing political environment. Their failure to organize the ruling elites into a cohesive governing party, establish connectedness with newly emergent civil society groups, develop community networks, and sharpen their political discourse has made the state-business alliance too vulnerable in the face of the rising civil society activism.

Unlike other hybrid regimes, Hong Kong's status as an autonomous region under Chinese sovereignty has made its regime distinctively resilient; with the strong support of Beijing it is very unlikely to collapse in the foreseeable future.⁶⁹ Still, Hong Kong remains intrinsically unstable and has been trapped in growing state-society conflict. The failure of the post-colonial state to engineer a viable governing coalition has made it difficult to accommodate the challenges of civil society and to forge a stable political support base for consolidating governance.

The discussions in this paper illuminate our understanding of the governance crisis in post-colonial Hong Kong. Currently, a legitimacy deficit is the most popular explanation adopted by local political scientists when accounting for the HKSAR governance crisis.⁷⁰ Such a mainstream perspective emphasizes that the challenges of the democrats and civil society have undermined the legitimacy of the post-colonial state and plunged it into a serious governance crisis. To use the words of Levitsky and Way, the notion of a legitimacy deficit is fundamentally an opposition-centered explanation. This focuses too strongly on the role of societal factors while largely overlooking the relevance of the organizational weaknesses of the post-colonial

69. Case, "Hybrid Politics and New Competitiveness."

70. See Ian Scott, "Legitimacy, Governance, and Public Policy in Post-Handover Hong Kong," *Asia Pacific Journal of Public Administration* 29:1 (2007), pp. 29–49; Ming Sing, "Hong Kong at the Crossroads: Public Pressure for Democratic Reform," in Ming Sing, ed., *Politics and Government in Hong Kong: Crisis under Chinese Sovereignty* (Hong Kong: Hong Kong University Press, 2009), pp. 112–35.

state when explaining the HKSAR governance crisis. From this perspective, this paper makes an important, original contribution to the local literature by going beyond the existing opposition-centered explanation as highlighted by the theorists of legitimacy deficit. The paper offers an alternative, state-centric perspective to examine the robustness of the state in the discussion of the HKSAR governance crisis. By establishing the causal relationship between the failure to build governing coalitions and the increasing state-society conflicts, this paper demonstrates that the post-colonial state's weak capacity to accommodate the challenges of civil society has added fuel to the governance crisis in the HKSAR era. In order to provide a more comprehensive account of the post-handover governance crisis, the state-centric perspective should be used in conjunction with the opposition-centered explanation to examine and interpret the changing balance of power between the post-colonial state and the opposition forces.