

The Changing Nature of Public Administration in Hong Kong: Past, Present, Future

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Hong Kong has undergone significant changes in the last two decades, and their impacts have been visible on the economic and political aspects of life. As the territory became prosperous, political system reforms had to be introduced in order to keep pace with the changes in society. At the same time, it was necessary to introduce changes in the public administration system. Hong Kong's scheduled reversal of sovereignty to China has added to the scenario's complexity, as the transformation from a British colony to a Special Administrative Region of the People's Republic of China entails delicate balance in planning reforms.

This paper considers the administrative reform attempts made in Hong Kong. Beginning with the 1989 public sector reform document, there have been a number of noticeable changes in public administration process and values. An examination of previous and recent attempts indicates that changes have been largely influenced by political considerations and the tendency to emulate practices from elsewhere, while the genuine needs of society may have been neglected. There have been corresponding changes in the objectives, strategies, and style adopted by the government and public administrators. This paper will try to note the nature of the recent changes within Hong Kong's public administration, changes which will naturally have implications on the relationship of Hong Kong with its neighbors, including the Republic of China.

Keywords: public administration, change, Hong Kong

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Hong Kong has been a British outpost in the Far East for over a century and a half, during which time there was mostly little to write about. But as British sovereignty over the region nears a close, Hong Kong, along with other East and Southeast Asian countries, has caught international attention. While the rest of the world has languished under mounting inflation, rising unemployment, and various cutbacks in social services, Hong Kong has enjoyed a relatively trouble-free period of economic growth and expanding public services.

There has been speculation over the causes of this success. While the usual explanations highlight the Chinese cultural traits of hard work and emphasis on savings, there are also frequent references to Confucianism, geographical advantages, and the benefit of external influence.¹ While it is pertinent to explore such explanations, there is also merit in conducting a review of the changes that have taken place in Hong Kong's administrative principles, agencies, and actors.

It is possible to argue that the administrative system of a country can exert a strong influence on society and various agencies' activities. In fast-growing societies like Hong Kong, the role of public administration takes on much more significance as adjustments must be rapidly made and impacts become visible without much delay. Moreover, in view of the intense competition among the fast-growing economies of East and Southeast Asia, government and administrative agencies need to be able to make quick decisions, implement them, and anticipate new demands and challenges.

This paper will examine the nature of changes taking place in Hong Kong's public administration realm. Although there were incremental changes and minor adjustments in the administrative system during the first hundred years of British rule, changes of a more substantive nature appeared in the mid-1960s, and the pace was accelerated in the mid-1980s. This study will focus on the changes that took place after Britain and the People's Republic of China (PRC) signed an agreement to return Hong Kong to Chinese control after the expiration of the current lease. This analysis will also address the perceptions and actions of public officials over the last twelve years. The ultimate objective is to paint a picture of the transition from a British colonial administration to a Special Administrative Region (SAR) of the PRC; the period of transition (1984-97) will constitute the core of this study.

The nature of British colonial administration has been documented in several studies which cover various areas of the world.² Administrative arrangements usually are characterized by commercial

¹See Ahmed Shafiqul Huque, "Administering the Dragons: Challenges and Issues," in *Public Administration in the NICs: Challenges and Accomplishments*, ed. Ahmed S. Huque, Jane C. Y. Lee, and Jermain T. M. Lam (Basingstoke: Macmillan, 1996), 2-3.

²For a discussion of the nature of administration in such countries, see Fred W. Riggs, *Administration in Developing Countries: The Theory of Prismatic Society* (Boston: Houghton Mifflin, 1964); also see Ahmed S. Huque, *Paradoxes in Public Administration: Dimensions of Development* (Dhaka: University Press, 1990).

objectives, excessive control, authoritarian style of leadership with little input from the public, and a strict emphasis on law and order. Likewise, public administrators tend to behave in an authoritarian manner, exercise a substantial amount of power, and are fully confident in their roles, acting accordingly. They are expected to be completely loyal to the government of the day and perform the multiple tasks of setting agendas, policymaking, and policy implementation.

In Hong Kong's case, the termination of British rule will usher in the Hong Kong SAR. The return to the motherland (as it is described by many Chinese scholars) will certainly initiate a number of sentiments likely to be quite different from those dominating public administration at present. In brief, public administration in the future SAR is likely to be characterized by a nationalistic spirit, and service to the public may be the dominant theme. Taking into account the PRC's style of public administration, this may lead to recentralization, with the Communist Party and its leadership as *de facto* leaders. The emphasis on commerce will probably continue, and public administrators will demonstrate complete loyalty to the SAR government, as they will probably lose their unquestioned authority and share power with the Communist Party and its leaders. Their role in the policy process is likely to be reduced to that of implementors only, while the agenda and policies will be formulated by other actors in the political system. Hong Kong's relationship and interactions with the external world will be profoundly influenced by the new arrangements.

The objective of this study is to take a snapshot of these changes as established roles and practices crumble one by one and preparations are made for the new regime. The nature of governance, the extent of control exercised by administrators, the nature of leadership, and the areas of administration emphasis are all being redefined. The attitude, demeanor, and roles of stern, powerful, and effective public administrators are being assaulted by a number of new forces and factors in society. These issues are examined in the following sections.

Hong Kong's Public Administration Environment: The Past

In the early days of colonial rule, it is necessary to demonstrate a certain amount of ruthlessness and effectiveness to win over the public and establish control over a foreign land. Early British rule in Hong Kong was no exception. The colonial conquerors were very

stern in their dealings with Chinese rulers and bargained hard to secure extremely favorable conditions for regional trade.

In the nineteenth century, maintaining law and order and facilitating commercial activities in Hong Kong was less of a problem than addressing other areas such as "health, environmental, international (particularly in relations with China) and military" issues.³ The basic structure of the government was set out in the Letters Patent and Royal Instructions issued in the nineteenth century and remained practically unchanged until the late twentieth century. The Hong Kong government "sought to limit public expenditure, balance the budget, maintain law and order, and turn public services over to the voluntary sector wherever possible."⁴

Naturally, the British influence was evident in the operation of Hong Kong's public administration. Practices and procedures followed in Great Britain constituted the basis for the formulation and execution of policies in Hong Kong. However, the elements of popular representation and input from the citizens in policymaking were absent. Hong Kong was governed exclusively by a British Governor with the assistance of expatriate (mostly British) civil servants. It was believed that the apathetic and disinterested public of Hong Kong had to be administered with a stern system. This strategy appeared to be effective in containing discontent as indigenous cultural factors were totally disregarded in making administrative decisions.

At the end of World War II, changes were taking place across the globe. New nation-states were emerging in the wake of decolonization and the spirit of liberalism was gaining popularity. In the postwar euphoria, changes in public administration were in order. In the case of Hong Kong, however, it was restricted to a report of the Salaries Commission in 1947 which advocated for the inclusion of locals in the civil service as much as possible.⁵ The recommendation was not seriously implemented and the nature of public administration remained unchanged. Another significant development from this period was the establishment of a Public Service Commission in

³Peter Harris, *Hong Kong: A Study in Bureaucracy and Politics* (Hong Kong: Macmillan, 1988), 2.

⁴Ian Scott, "Policymaking in a Turbulent Environment: The Case of Hong Kong," *International Review of Administrative Sciences* 52 (1986): 455.

⁵David Podmore, "Localisation in the Hong Kong Government Service, 1948-1968," *Journal of Commonwealth Political Studies* 9 (1971): 36-51.

1950. This body was set up to advise the Governor on appointments to the senior administrative posts.

The first signs of the need for change appeared following the civil unrest and riots that took place in Hong Kong in the wake of China's Cultural Revolution in the mid-1960s. *Kowloon Disturbances 1966: Report of the Commission of Inquiry 1967* indicates that the discontent stemmed largely from the distance and lack of communication between the public and government.⁶ Consequently, a number of measures were introduced to deal with the identified problems. District offices were set up to facilitate communication between the government and the public, and eventually Chinese was accepted as an official language. Public officials were encouraged to obtain citizens' views on various administrative and policy issues, although such consultations remained a token exercise for a long time. In 1981, two different systems of local administration—one for the older parts of the colony and another for the New Territories—were brought under a unified structure.⁷

A number of changes were taking place in the socioeconomic scene which had implications for the nature of public administration. The government was able to exploit the advantageous location of Hong Kong as a link between the Eastern and Western world and develop it as a major shipping and transportation center. Moreover, the territory established itself as a cheap manufacturing base, and soon the world was flooded with its products. Gradually, the basis of Hong Kong's economy shifted from manufacturing to service industries, and eventually the territory emerged as a major financial services center. The government's policies of a low tax rate and minimum intervention and regulation of commercial activities had a positive impact as entrepreneurs were attracted to the territory.

With the economy's rapid improvement, changes were inevitable in social development. A nine-year compulsory education system was promptly established and health care facilities had to be expanded. There was an acute need for developing public housing as the population increased rapidly, and the solution appeared to lie in the devel-

⁶The report found that there was "... in some sense a 'failure of communications' that opened up the gap. . . ." See *Kowloon Disturbances 1966: Report of the Commission of Inquiry 1967* (Hong Kong: Government Printer, 1967), 110-11.

⁷Norman Miners, *The Government and Politics of Hong Kong*, 5th edition (Hong Kong: Oxford University Press, 1995), 169.

opment of new towns at some distance from the overcrowded center of the city. It was extremely difficult to perform all these tasks with a highly centralized system which "was designed to ensure that the Governor is kept fully informed of what is going on and . . . in a position to exercise effective control."⁸

These major challenges compelled the government to consider reorganizing the public administration structure. A firm of management consultants was appointed in 1972 to examine the state of affairs and make recommendations. It was reported that the "main proposals for increasing the efficiency of the Secretariat and reducing the overload at the top were threefold: that many decisions should be entirely delegated to departmental Heads and lower officials, particularly minor financial changes and matters involving technical expertise without any policy implications; that programs covering all policy areas should be drawn up and should thereafter be regularly revised and updated; and that a number of high-level posts should be created in the Secretariat, directly below the Colonial Secretary (subsequently the title was changed to Chief Secretary) and the Financial Secretary, whose holders would have the authority to plan and control programs within particular policy areas and could be held responsible for monitoring progress and ensuring that targets were met."⁹

The Secretariat was reorganized on the basis of these recommendations. Two resource branches, each dealing with Finance and the Civil Service, were established, and six new policy branches were set up to deal with Home Affairs, Security, Social Services, Housing, Economic Services, and the Environment. The new organization enabled the government to overcome some of the aforementioned problems and enhanced its capacity to face new challenges.

At the same time, another major step was taken with the establishment of the Independent Commission Against Corruption (ICAC) in 1974. The process started a decade earlier with the strengthening of the "Prevention of Corruption Ordinance" and the introduction of a "Prevention of Bribery Bill." However, the level of corruption had reached dangerous proportions by the early 1970s, and the results of an inquiry into the causes of corruption led to the establishment

⁸Ibid., 88.

⁹Ibid.

of the ICAC.¹⁰ Such an institution was considered vital for the performance of public agencies and officials, particularly as Hong Kong was on the threshold of an economic boom.

Another area of concern was the possibility of power abuse, maladministration, and overstepping of boundaries/jurisdictions by public officials. In order to give the public an opportunity to register complaints and have them investigated, a special section of the Royal Hong Kong Police Force, the Complaints Against the Police Office (CAPO), was established in 1977. Efforts to create an ombudsman office for dealing with similar problems with public officials was considered and a bill was drafted in 1969. However, the proposal was not pursued to fruition, and a Commissioner for Administrative Complaints (COMAC) office did not come into existence until 1988.

In spite of a number of measures taken to streamline the administration process and open up opportunities for the public to participate and voice their concerns, the basic philosophy of the Hong Kong government remained unchanged. Led by the Governor, his advisors and senior civil servants, Hong Kong was tightly controlled, with most attention concentrated on maintaining law and order and facilitating commerce. The government adhered to a policy of minimum intervention in social and economic affairs, which enabled it to adopt a system of low taxation. The situation was facilitated by the indigenous culture, which tolerated no welfare assistance and did not expect such help. There were few demands and the government was able to operate without major challenges from the citizens. The public was appeased by occasional demonstrations of the intent to localize the civil service, adopt specific steps to deal with corruption or administrative impropriety (through the ICAC, CAPO, and COMAC), or reorganize administrative arrangements. The environment influenced the nature and attitudes of public administrators as well. They were able to exercise full authority, performed their tasks with utmost confidence, and demonstrated loyalty to the British government. An excessive amount of power was concentrated in the hands of the senior civil servants who were active in all aspects of public policy.

¹⁰For a discussion on the establishment of the ICAC, see Ahmed S. Huque, "Organization Design and Effectiveness: A Study of Anti-Crime Organizations in Hong Kong," *International Journal of Public Administration* 18 (1995): 639-57.

The strategy followed by the colonial rulers was to exercise maximum control. The Governor and senior officials occupied crucial positions in the public bureaucracy, and the process of decisionmaking was highly centralized in a style which came to be described as executive-led. While handpicked advisors in the Executive Council (Exco) made all vital decisions, nominated members of the Legislative Council (Legco) provided the stamp of legitimacy to such decisions.

The colonial rulers were intent on extracting as much resources as possible and did not wish to be exposed to threats to their authority and control. To achieve this, there has been maximum emphasis on the facilitation of commerce. These factors have prompted the government to follow a policy of nonintervention and allowed the market mechanism to operate freely. The result has been remarkable progress in commerce and economic development, although it has not been matched by development in political and social sectors.

Public Administration in Changing Times: The Present

The year 1984 marked a watershed in the history of Hong Kong as the governments of Britain and the PRC signed a Joint Declaration to return Hong Kong to Chinese sovereignty when the current lease expires on July 1, 1997. The agreement triggered a variety of reactions from different areas of society. A section was clearly unhappy with the outcome, suspicious of the motives of the Chinese leaders, and thus unwilling to live under a communist regime. This group began considering options to leave Hong Kong and the territory experienced a huge increase in the number of émigrés. Other groups in society viewed the agreement as an action justified by historical and contemporary circumstances, and felt it logical for Hong Kong to be returned to the motherland, believing reintegration with a major power would be advantageous to the territory.

This section is concerned with the nature of political and administrative arrangements leading to the future SAR. A number of changes were initiated in the public administration system in the previous decade, and the signing of the Joint Declaration prompted a review of the progress attained in these areas. It was evident that the Hong Kong government had decided to strengthen representation in the political system, and various individuals and groups initiated moves to establish a democratic system of governance in Hong Kong.

The initial agreement to return Hong Kong to China was followed by intense discussion and debates, and the signing of the Joint Declaration highlighted the uncertainty and anxiety of both citizens and public officials. The number of emigrants increased rapidly, and Hong Kong faced a huge brain-drain syndrome. All these factors added to decreasing public confidence. However, the changes also exerted an impact on public attitudes toward the role of the government. A study revealed that although the public remained basically inactive in political matters, they were increasingly aware of the relevance of the government to their livelihood.¹¹

The government initiated measures to introduce representative elements in the Legco through indirect elections in 1985. After a few years, direct elections were introduced in phases for a portion of the Legco. However, Hong Kong experienced a number of setbacks during the uncertain period of the early 1980s. The property market plunged, construction projects were canceled, real estate companies suffered huge losses, and the value of Hong Kong currency fell; a banking crisis and stock market crash followed. A public demonstration against the assorted problems and the failure of the government to deal with them culminated in riots, and taxi drivers and metro rail workers went on strike.¹²

To ameliorate similar situations, the Finance Branch of the Hong Kong Government issued a document entitled *Public Sector Reform* in February 1989. The document set out the principles and prescribed measures for a program of financial management reforms. It suggested regular and systematic reviews of public expenditures, introduction of a proper system of policy and resource management, and clear definitions and delegation of responsibility for policy implementation and resources. The document went on to state that managers should be "aware of, and responsible for, all expenditure incurred in support of their policy objectives, services should be provided through appropriate organization and management framework, placing the responsibility for establishing effective relationships with executive agencies on those responsible for the concerned policy, and every effort should be made to encourage civil servants to become

¹¹Siu-kai Lau and Hsin-chi Kuan, "The Changing Political Culture of the Hong Kong Chinese," in *Hong Kong in Transition*, ed. Joseph Y. S. Cheng (Hong Kong: Oxford University Press, 1985), 50.

¹²Jermain T. M. Lam and Ahmed S. Huque, "Economic Development and Democratization: Hong Kong's Experience," *Asian Journal of Political Science* 3 (1995): 49-64.

better managers.”¹³ Although the matter of public sector reform was launched with much publicity, it should be noted that it was simply an attempt to streamline the process of financial management in government agencies. Anthony B. L. Cheung found other reasons behind the introduction of the reforms: “[R]eforms were not motivated by standard global claims about suppressing Big Government, improving efficiency or coping with fiscal crisis; they have been more linked to macro-political changes in the territory’s transition towards 1997. . . .”¹⁴ The scope of reform was extremely narrow and was unlikely to be a huge success in view of the existing sociopolitical environment.

During the same period, anxiety in the region rose when the Chinese government used stern measures to suppress the pro-democracy movement in China. In June 1989, the People’s Liberation Army (PLA) was used to crack down on student activists and citizens supporting the movement; the incident greatly undermined the confidence of the people of Hong Kong. The Basic Law was published in April 1990 to reassure the citizens by laying out the framework for political and administrative arrangements after the handover. Soon afterwards in 1991, eighteen members of the Legco were directly elected by the citizens, and seventeen were democrats from two political parties.¹⁵

The political environment experienced further turbulence after Chris Patten assumed the office of Hong Kong Governor. Patten’s appointment signaled a departure from the tradition of appointing civil servants and diplomats to the powerful position, replacing them with a politician. Patten was naturally keen to develop democratic institutions and practices in the colony and soon prepared an ambitious proposal for constitutional reforms in Hong Kong. The proposed major changes were viewed by the Chinese leaders as a violation of the principles embodied in the Basic Law, and negotiations and talks between the two parties were seriously affected.

Patten’s appearance, the introduction of directly elected members in the Legco, and a strengthening of the institution’s role have

¹³Finance Branch, Hong Kong Government, *Public Sector Reform* (Hong Kong: Government Printer, 1989), 1-2.

¹⁴Anthony B. L. Cheung, “Public Sector Reform in Hong Kong: Perspectives and Problems,” *Asian Journal of Public Administration* 12 (1992): 115-48.

¹⁵The United Democrats of Hong Kong and the Meeting Point, the two major democratic political parties, have subsequently merged to form the Democratic Party.

had an impact on public administration. Policy proposals are debated intensely and votes are taken on controversial measures. In order to separate the executive branch from the legislature, Patten decided not to continue as the president of the Legco. Consequently, members of the Legco have elected their president from among themselves. Public officials are now under scrutiny of the Legco members, and specific times are set aside for question-answer sessions. The officials themselves have had mixed reactions to this arrangement. While there is general satisfaction over the Legco's assumption of a proper role, the preparation for possible questions from the members reportedly consumes a substantial chunk of public officials' time.¹⁶ Nevertheless, the Legco has been a useful mechanism in overseeing the activities of public agencies and officials.

While some progress has been achieved in refining accounting techniques, there have been subsequent efforts at initiating change in organizational structure and establishing a consumer-oriented public service. The government has sought "to adopt management practices which encourage individual civil servants to perform to the best of their abilities and to provide the highest possible standards of service."¹⁷ The Efficiency Unit, established in 1992, seeks to improve the quality of services provided to the community and has "integrated various public sector reform initiatives into a new Management Framework" to devolve authority to administrators responsible for policy formulation and service delivery and place greater emphasis on service to customers as well as raising service standards.¹⁸ The Efficiency Unit has developed a framework for the report *Gaining Commitment to Continuous Improvement* which emphasizes vision, mission, and values.¹⁹ The shift from the traditional pattern of tinkering with structures and arrangements to the need for inculcating values and

¹⁶The views were expressed by some public officials in informal discussions with the author during 1994-95. Joseph Cheng and Jane Lee have reported that the bureaucrats in Hong Kong "accept the stronger monitoring role and greater influence exercised by the legislators in the policy process." See Joseph Y. S. Cheng and Jane C. Y. Lee, *A Study of the Bureaucrat-Politician Relationships in Hong Kong's Transition* (Hong Kong: Department of Public and Social Administration, City University of Hong Kong, 1994), 33.

¹⁷Chris Patten, *Policy Commitments: The 1995 Policy Address* (Hong Kong: Government Printer, 1995), 46.

¹⁸Hong Kong Government, *Serving the Community* (Hong Kong: Government Printer, 1995), 3.

¹⁹Efficiency Unit, Hong Kong Government, *Gaining Commitment to Continuous Improvement* (Hong Kong: Government Printer, 1995), 7.

entrenching new orientations among public administrators is noticeable.

A similar shift in government values can be detected in *The Five-Year Plan for Social Welfare Development in Hong Kong: Review 1995*. Unlike the early days of colonial rule, when welfare needs went largely unattended, social welfare in Hong Kong is now "based on the premise that societies have an obligation to assist their members to overcome personal and social problems and to fulfill their role in life to the optimum extent in accordance with the particular social and cultural development of their society."²⁰ In the new environment, it is not surprising that public administrators are now expected to work under a new framework based on the four principles of: (1) *Being Accountable*, because the government has an obligation to answer to the community which it exists to serve; (2) *Living within Our Means*, because the government must determine how best to meet the community's needs within the resources available; (3) *Managing for Performance*, because the government must deliver the best possible services for public money; and (4) *Developing Our Culture of Service*, because the government must be a responsive organization, committed to quality service.²¹

Thus, in the transitional period, there have been some changes in the nature of public administration and administrators in Hong Kong. The objective has shifted from "ruling" to administering (in the 1980s) and serving (in the 1990s). The strategy of "control" has given way to "delegation" to allow better performance as well as ensuring accountability. The emphasis on commerce remains, but considerable attention is now being paid to the development of an effective system of welfare along with the promotion of democratic principles and practices in Hong Kong.

Public administrators appear to have lost some of their authority, but this is consistent with the new environment in the territory. Their level of confidence has decreased and uncertainty has increased, as there is ambivalence on the question of loyalty. Recently, there has been a demand from Chinese leaders for top civil servants "to choose between serving the Governor, Chris Patten, or accepting the

²⁰*The Five-Year Plan for Social Welfare Development in Hong Kong: Review 1995* (Hong Kong: Government Printer, 1995), 3.

²¹Hong Kong Government, *Serving the Community*, 7.

authority of the Beijing-appointed provisional legislature.”²² Joseph Cheng and Jane Lee have found that a large percentage of senior public officials hold British or other foreign nationalities. Obviously, there is ambivalence on the issue of loyalty among public officials.²³

Public administrators can no longer exercise power without being checked by the Legco, which has also assumed a stronger role in setting policymaking agenda. Public administrators still play a major role in preparing policy proposals and implementing them, but policy issues are now identified and put on the agenda by political and pressure groups.

Public Administration in the Hong Kong SAR: The Future

The future of Hong Kong is a matter of great interest among residents as well as observers of changes in the region. Up to this point, the only document that sketches an outline of post-1997 administration is “The Basic Law of the Hong Kong Special Administrative Region of the People’s Republic of China” which was adopted by the Seventh National People’s Congress in April 1990. The Basic Law, often referred to as the constitution of the Hong Kong SAR, provides for the continuation of the existing capitalist system and ensures that no change will take place for fifty years in the territory.²⁴ A high degree of autonomy is guaranteed along with an independent legislature and judiciary. The rights and freedom of individuals are guaranteed,²⁵ along with the territory’s executive, legislative, and judicial power.

The Basic Law lays out in detail the qualifications required, powers to be awarded, method of election, and functions of the Chief Executive,²⁶ who will be assisted by the Administrative Secretary, Financial Secretary, and Secretary of Justice. These positions appear to be the new versions of the existing structure’s Chief Secretary, Financial Secretary, and Attorney General, respectively.

²²*Eastern Express* (Hong Kong), March 27, 1996.

²³Cheng and Lee, *A Study of the Bureaucrat-Politician Relationships*, 13.

²⁴The Basic Law of the Hong Kong Special Administrative Region of the People’s Republic of China (1990), Article 5.

²⁵*Ibid.*, Article 4.

²⁶*Ibid.*, Chapter IV, Sections 1 and 2.

The Basic Law does not propose any change to the existing civil service system. However, "only Chinese citizens among permanent residents of the Region with no right of abode in any foreign country may fill the following posts: the Secretaries and Deputy Secretaries of Departments, Directors of Bureaux, Commissioner Against Corruption, Director of Audit, Commissioner of Police, Director of Immigration, and Commissioner of Customs and Excise."²⁷ Officials serving in government departments must be permanent residents, although exceptions will be permitted. Salaries, seniority, and benefits will be retained by public servants (Article 100), and the SAR government may be able to recruit public servants from overseas. Article 103 states that "the appointment and promotion of public servants shall be on the basis of their qualifications, experience, and ability. Hong Kong's previous system of recruitment, employment, assessment, discipline, training, and management for the public service, including special bodies for their appointment, pay and conditions of service, shall be maintained, except for any provisions for privileged treatment of foreign nationals."

Considering the content of the Basic Law, the environment of public administration should remain basically the same. The powers of the Governor will be assumed by the Chief Executive of the SAR, and senior administrators will take up positions similar to their present ones. One major change will be the takeover of the top administrative positions by Chinese residents, and several non-Chinese officials will have to leave or accept lower positions.

If the Basic Law is followed to the letter, the nature of public administration will continue to change in the desired direction. However, it will be open to interpretation by the PRC's central government. Moreover, no administrative system can be completely static, and depending on the circumstances, some changes will have to be initiated. The SAR will be autonomous, but there will be constraints, as Hong Kong will be a part of China. The dominant ideology of the central government will certainly have some influence, and the focus should be on serving citizens, although centralization appears to be Beijing's preferred style. Formal authority will rest with the Chief Executive, but unlike with the existing Governor, leadership will

²⁷Ibid., Article 101.

be assumed by the Communist Party. The emphasis on commerce is likely to continue, but there will be a movement from freedom and welfare to loyalty to the country.

Public administrators may be expected to lose their powerful positions and become subservient to the Communist Party. They will compete with one another in demonstrating their loyalty to China and their roles as agenda-setters and policy formulators in the SAR will diminish; they will hence take up the role of policy implementors under the leadership of the Chief Executive and the Communist Party.

This section is largely speculative, as it is difficult and almost impossible to make definitive judgments on changes likely to take place beyond 1997. However, considering the provisions of the Basic Law as well as recent developments in China-Britain-Hong Kong relationships, it may be possible to hazard some guesses.

As Hong Kong becomes an SAR of the PRC, the objective may be to "govern," a style consistent with the other provinces of China. However, the element of service which is being incorporated so enthusiastically at present is likely to persist and will probably be reflected in public administration beyond 1997. The delegation of authority will have to be revised and recentralization appears to be the most likely option.

A major change could be noticeable in the territory's leadership. The Chief Executive "shall be the head" of Hong Kong, but "shall be accountable to the Central People's Government" as well.²⁸ He will lead the territory, but it is reasonable to believe that the Communist Party will be a major force in policy decisions. Interestingly, public administrators will probably develop close ties with the Communist Party and share authority and power with Party functionaries. However, their confidence level will remain uncertain and will depend on the relative strength of politicians in Chinese politics. The role of administrators in the policy process will diminish as they will be primarily concerned with the implementation of policies. National leaders and political personalities at the center may assume a much more prominent role in agenda-setting and developing policies consistent with the rest of the PRC.

²⁸Ibid., Article 43.

The Nature of Change in Hong Kong's Public Administration

Changes in constitutional and political systems, the mood of society, and the prominent role played by public administration in Hong Kong's development have combined to alter some of the basic features of the administrative system. Table 1 provides an indication of the changes taking place in the nature of public administration in the transition period. The time frame of public administration in Hong Kong can be divided into colonial (1852-1983), transitional (1984-97), and SAR/nationalist (beyond 1997) periods. During the colonial period, British colonial rulers sought to "rule" Hong Kong. There was little consideration of the needs and aspirations of the public and they were neglected to promote the interest of the ruling group and its supporters. Administrative organizations and procedures were designed to suit this purpose.

With changes in society and the appointment of a politician to Hong Kong's highest office, the nature of public administration began to change. The emphasis changed from rule to administration, and within a short time, service to the citizens became important. While this element of service will continue, governance will also become increasingly evident in Hong Kong. In a similar fashion, there has been a transition from total control to increased delegation, and the future may see a reversal to centralization. The leadership of Hong Kong has moved from the executive to elected politicians, and may finally rest with the SAR Chief Executive, who will receive guidance from the Communist Party. Finally, an emphasis on commercial activities has been one of the most important factors that has contributed to Hong Kong's economic progress, but there will be a shift from democracy and welfare to nationalism. These values will obviously influence policies and procedures for dealing with external agencies and governments. Much of Hong Kong's current liberal approaches to trade and relationships with other states in the region will need to be consistent with policies adopted by Beijing.

The nature and attitudes of public administrators have undergone corresponding changes as demonstrated in table 2. While authority has diminished from the early colonial days, its quasi-responsible nature will gradually culminate in holding authority jointly with the Communist Party. In the same way, administrators' confidence has diminished and will likely be uncertain in the future. Power held by administrators has decreased and is currently being scrutinized by

Table 1
The Nature of Hong Kong's Public Administration

Type of government	Colonial (1852-1983)	Transitional (1984-1997)	SAR/Nationalist (1997—)
Objective	Rule	Administer/Serve	Serve/Govern
Strategy	Control	Delegation	Recentralization
Style	Executive-led	Politician-guided	Chief Executive-led/ Party-guided
Emphasis	Law/Order/ Commerce	Commerce/Welfare/ Democracy	Commerce/Nationalism

Table 2
The Nature of Hong Kong's Public Administrators

Type of government	Colonial (1852-1983)	Transitional (1984-1997)	SAR/Nationalist (1997—)
Authority	Full	Declining	Joint (with Party)
Confidence	High	Low	Uncertain
Loyalty	Great Britain	Ambivalence	SAR
Power	Excessive	Under check	Share with Party
Role in policy process	Agenda-setter/ policymaker/ policy implementor	Policymaker/ policy implementor	Policy implementor

legislators; in the course of time, power-sharing between public officials and the Communist Party may become a reality.

Public administrators are expected to be loyal to the government in power and that has been the case in Hong Kong in the past. The controversial regime of Governor Patten has brought the issue to prominence. Loyalty of officials will naturally shift from Great Britain to the SAR government, although the feelings are ambivalent at present; the picture will become clear only after the handover takes place and the position of senior public officials in the system is known. It is obvious that public administrators will play a smaller role in the policy process and will probably have less input in setting agenda and formulating policy.

Hong Kong has coped reasonably well in the face of major challenges, and agencies and actors involved in public administration have contributed to the process. Some of the changes are inevitable due to historical and geographical reasons, and they will have to be

accepted as given. The transition from a thriving free market within a capitalist framework to an autonomous region of a communist-led country is likely to be traumatic. However, developments in recent years indicate that Hong Kong's public administration system is capable of meeting the challenge.