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**Government Leadership and Social Cohesion
in Hong Kong**

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Introduction

This paper addresses the question: Is there any relationship between government leadership and social cohesion?

Like in other countries, there has been much talk of the lack of social cohesion in Hong Kong recently. The concern is recognized even by the Hong Kong Special Administrative Region (HKSAR) government, whose Central Policy Unit set up a Social Cohesion Working Group last year in an attempt to come up with ways and means to promote social cohesion.

In the West, academics warn of a crisis of social cohesion (Forrest and Kearns 2001), attributed to factors like “the breakdown of Keynesian capitalism, an end to the progressive recruitment of households to the traditional middle classes and the lifestyles and living standards associated with such status, growing inequality and social fragmentation and a perceived decline of shared moral values” (p. 2127). Castells (1997: 354) has even conceptualized this within the context of a widening gap between the politics of representation and the politics of intervention.

While conceptually appealing to those seeking an understanding of Hong Kong’s sorry state of affairs, especially after the historic July 1 march this year, the notion of social cohesion is still constrained by its lack of theoretical clarity and the potential confusion between the content and the causes or effects of social cohesion (Chan, Chan and To, 2003). In practice, social cohesion, like social capital, is measured more by its perceived deficit than an overt exhibition. Theoretical woolliness aside, it is still reasonable to observe that Hong Kong society is presently marred by the decline in a shared sense of common identity or fate. The questions are: Has the perceived crisis of social cohesion in Hong Kong a result of government policy and its failure in governance? And is there anything the government can do to improve the situation?

Hong Kong’s crisis of social cohesion is a result of both an economic crisis and a political crisis (the politics of representation, as Castells (1997) would call it). The combined outcome has meant the end of a long period of boom where a proclaimed non-interventionist economy and an administrative state coupled with bureaucratic reformism seemed to have delivered results and helped to nurture a generally contented and upward-mobile population. After the 1997 handover and the onset of the Asian financial crisis, triggering the worst-ever economic recession, the previous

Hong Kong “prosperity dream” has evaporated. Old social and policy assumptions no long hold; instead there is widespread disarray in public sentiments and growing fragmentation of an originally fragile society cemented largely by economic success in the past. Unfortunately, due to institutional setback and the failure of the HKSAR government leaders in understanding the problems of the wider social and political processes, the capacity of government in redressing problems of social cohesion has been on the decline, rendering social fragmentation and disintegration all the more unmanageable. The crisis of social cohesion in Hong Kong is at the same time a crisis of governability.

Crisis of Social Cohesion

According to Forrest and Kearns (2001: 2126), predictions of a crisis of social cohesion very often rest on assumptions that the “social cement of a previous era is crumbling and that we are being collectively cast adrift in a world in which the previous rules of social interaction and social integration no longer apply”. They are referring mainly to the traumatic social change occurring in many Western societies as these enter the information age and as the previous foundation of social bonds (or social contract or consensus) and political settlement is being weakened or eroded. Those institutions and social organizations which in the past were the source of shared and legitimatizing identities are being increasingly undermined and hollowed out by new external changes (such as globalization), as well as internal responses to such changes (e.g. privatization and residualization), thereby inducing further erosion to the ‘old regime’ (Forrest and Kearns 2001: 2128). The features of many of the disorientations in what some describe as a post-industrial society were captured vividly as the ‘great disruptions’ by Fukuyama (1999) who only a decade previously had argued in favour of the end of history as the human world finally reached its ultimate social destiny in the form of liberal democracy (Fukuyama (1992). The emergence of the risk society (Beck 1992) also means that traditional employment practices and relations are collapsing, social and political institutions are de-functioning, and conventional authorities (government, professions, churches, academia and even the mass media) are de-legitimated, and the old order has become difficult to maintain.

For Forrest and Kearns (2001), their main concern is the impact of the social cohesion crisis on social relations and social solidarity, resulting from widened inequalities, spatial divisions, erosion of common values and identities, failures in public policies and in a general sense, the shortage in social capital. They put forward a framework highlighting the essential domains of social cohesion (see **Table 1** below). While, as I have suggested at the outset of this paper, social cohesion is easier ‘measured’ or observed by its absence than overt display, somewhat like the elements supposed to characterize a perfect market (such as free entry and exit, perfect information flow, absence of monopolistic forces, free consumer and provider choice, and minimum government intervention or regulation), a model of the ‘perfect’ state of social cohesion may still be useful to help point to deficiencies and problems.

Table 1: The domains of social cohesion

Domain	Description
Common values and a civic culture	Common aims and objectives; common moral principles and codes of behaviour; support for political institutions

Social order and social control	and participation in politics Absence of general conflict and threats to the existing order; absence of incivility; effective informal social control; tolerance; respect for difference; intergroup co-operation
Social solidarity and reductions in wealth disparities	Harmonious economic and social development and common standards; redistribution of public finances and of opportunities; equal access to services and welfare benefits; ready acknowledgement of social obligations and willingness to assist others
Social networks and social capital	High degree of social interaction within communities and families; civic engagement and associational activity; easy resolution of collection action problems
Place attachment and identity	Strong attachment to place; intertwining of personal and place identity

Source: Forrest and Kearns (2001: Table 1).

According to Forrest and Kearns's conceptualization, any decline in support for political institutions and political participation, social interaction and civic engagement, and conversely, any rise in social conflict and threats to existing social order resulting in less tolerance or respect for collective actions, could be perceived as the signs of a looming crisis of social cohesion.

Qualities of Leadership

Half a century ago, Philip Selznick (1957) observed that leadership is a slippery phenomenon that eludes both common sense and social science. He defined leadership using several premises:

1. Leadership is a kind of work done to meet the needs of a social situation.
2. Leadership is not equivalent to office-holding or high prestige or authority or decision-making. In other words, only some (and sometimes none) of the activities of decision-makers are leadership activities.
3. Leadership is dispensable. It becomes dispensable as "the natural processes of institutionalization become eliminated or controlled" (p. 25).

Institutional leadership fails more often by default than by positive error. As Selznick put it:

"Leadership is lacking when it is needed; and the institution drifts, exposed to vagrant pressures, readily influenced by short-run opportunistic trends. This default is partly a failure of nerve, partly a failure of understanding. It takes nerve to hold a course; it takes understanding to recognize and deal with the basic sources of institutional vulnerability" (Selznick 1957: 25).

Defaults occur when institutional leaders fail to set goals or define the mission of the organization, or when goals, however neatly formulated, enjoy only a superficial acceptance and do not genuinely influence the total structure of the organization (*ibid*, 25-6). "The leader is an agent of institutionalization, offering a guiding hand to a process that would otherwise occur more haphazardly, more readily subject to the accidents of circumstance and history" (p. 27). For Selznick (1957: 152-3), the art of the creative leader is the art of institution-building so that the organization can embody new and enduring values. The opportunity to do this depends on sufficient

sensitivity to “the politics of internal change” which entails more than a struggle for power, but the success in avoiding recalcitrance and releasing energies. Winning consent to new directions depends on how secure the organization’s members feel. The dual functions of leadership are thus the exertion of cohesive force in the direction of institutional security, as well as the creation of conditions that will make possible in the future what is excluded in the present. In Selznick’s words,

“This requires a strategy of change that looks to the attainment of new capabilities more nearly fulfilling the truly felt needs and aspirations of the institution. *The executive becomes a statesman as he makes the transition from administrative management to institutional leadership*” (Selznick 1957: 154, my emphasis).

His portrayal of creative leadership may be largely conceptual. The latest account on how leadership works to face a traumatic crisis is offered by retired New York city mayor Rudolph Giuliani whose brave and firm leadership of the city in the aftermath of the terrorist attacks on September 11, 2001 was applauded by all over the world. In his book under the title *Leadership* (Giuliani 2002), he detailed his principles of leadership using his own experience which is both personal and prescriptive. The way he put it, a leader must develop strong beliefs, be articulate and act on those beliefs, and be held accountable for the results. He must be his own man, able to set the example, to organize around a purpose, to be consistent and stand behind those who follow him. His book is somewhat like a working manual for elected institutional leaders, with useful hints on how to deal with supporters, opponents and the mass media. But more significant is his insight on leadership qualities required to develop the team and the organization to enable them to take other people forward to pursue ‘achievable’ results, resonating what Selznick advocated several decades ago.

Crisis of Cohesion in Hong Kong

Crisis of trust

Since the 1997 changeover of sovereignty, Hong Kong has been suffering from the triple crises of trust, confidence and belief. The public’s trust in public institutions of governance has been on the decline. Both the executive as well as the legislature have experienced a steady drop in public support and confidence, according to various polls (see **Table 2**).

[Table 2 about here.]

Meanwhile, Hong Kong’s young political parties, whose only role at present are to monitor government performance, have neither attained a high degree of public endorsement (**Table 3**).

Table 3: Average scores of political parties/groups in Hong Kong, 1998-2003

Average Scores	August 1998	August 1999	August 2000	August 2001	August 2002	August 2003
Democratic Party*	57.5	52	52.5	50.7	52.5	50.1

Democratic Alliance for the Betterment of Hong Kong (DAB)#	52.6	47.0	49.1	52.7	52.4	41.2
Liberal Party#	51.3	47.3	47.7	48.1	51.8	50.7
Association for Democracy and People's Livelihood*	--	48.9	50.7	52.5	54.8	48.2
The Frontier*	54.9	49.1	50.9	49.5	51.3	46.0
Federation of Trade Unions#	57.7	53.2	56.1	56.7	57.8	49.0
Confederation of Trade Unions*	--	51.4	52.6	55.5	56.9	51.3

Source: Public Opinion Programme, University of Hong Kong, [online] <http://www.hkupop.hku.hk/>

Note: The score is out of 100, with 50 as the pass score.

Belonging to the pro-democracy opposition camp.

Represented on the Executive Council.

The civil service, which was hailed as a key institution of performance, stability and continuity before 1997, has seen its so-called infallibility dwindled in the post-1997 years, partly due to its perceived incompetence to handle various economic and social problems. Indeed, the political executive led by Chief Executive Tung Chee-hwa and the career bureaucracy are observed to have engaged in mutual blaming for mis-governance, despite both alluding to their respective leadership role. In a sense, Hong Kong seems to see a lack of credible institutional leadership, not to mention creative leadership.

Crisis of confidence

The leadership failure of public institutions and leaders (new political decision-makers as well as the traditional bureaucratic elites) occurs at the same time as Hong Kong undergoes the worst economic crisis in post-war history. The prolonged recession has shattered previous dreams of prosperity and growth, which fuelled many middle-class aspirations and facilitated a high-degree of social mobility, in itself an important process to nurture social stability and wide support for the existing social order. Economic growth in the past had also enabled the previous colonial bureaucratic regime to expand welfare and public services in the absence of any ideological commitment to “welfarist” social policies. In a sense Hong Kong has for a long time portrayed a myth of an administrative state that was highly successful in developing and sustaining a moderate form of welfare state (low-cost public housing, almost free education and health-care, plus a modest social safety net in the form of the Comprehensive Social Security Allowance scheme) alongside a low-tax regime. The trick in this “Hong Kong miracle” is of course the windfall revenue from land sales and land-related income made possible by almost three decades of incessant rise in land and property prices. Indeed, the property boom – and by extension the

stock market boom – had created wealth appreciation that made everybody feel good and affluent.

However, the fact remains that all along, the colonial administrative state was mainly fiscally-driven in its economic and social policies. The “positive non-interventionist” philosophy was an expression of decision-making on the premise of administrative contingency. The bureaucrats avoided getting bogged down to any ideological policy debates. The official principles were still those of minimal government intervention and small administration. In practice, however, long years of economic growth and seemingly unlimited supply of revenues had enabled the colonial government to rapidly expand its size and scope of functions, as well as to enlarge its commitments to social policy provisions that could parallel developed “welfarist” regimes. We can say in hindsight that the colonial government had ventured into ambitious public service provisions by default rather than in pursuit of any clearly defined value orientations or ideological convictions.

Now, as economic slowdown and a crisis of competitiveness caused by globalization and mainland China’s rapid rise on the world market have appeared to be somewhat a permanent feature of the external environment, many people in Hong Kong begin to lose confidence in the future and in the prospect of upholding the existing public-service state. For the administrative elites of the bureaucracy, long driven by fiscal considerations, the logical move is to downsize the public service sector and to contain expenditure, while at the same time to consider new sources of revenue. This would mean a gradual erosion or even negation of the previous “low-tax, good welfare” regime that underscored the Hong Kong success story. For the business sector, which enjoys an increasing influence over Chief Executive Tung Chee-hwa’s government, it has never subscribed to any welfarist tendencies in government. Its main advocates therefore push for drastically rolling back the frontiers of the public sector, privatization and residualist notions of self-help and self-sufficiency. The fact that the Hong Kong society has never before engaged in real ideological debates on policy policies or the role and functions of the state, also means that mainstream public sentiments can easily be won over to a fiscally-driven paradigm of public service. However, economic decline breeds social conflict and redistributive politics, potentially turning everybody against everybody and sector against sector in a zero-sum game. The aim to build some kind of “consensus capitalism” – as depicted by a former financial secretary Hamish Macleod in the mid-1990s when Hong Kong’s economic boom was seen as unstoppable – has now largely been forgotten.

Crisis of belief

For Hong Kong people who have grown up in the period of boom, Hong Kong’s style of capitalism seems to be combining the best of both worlds – low tax and yet good welfare, small government and yet firm leadership, undemocratic government and yet a highly liberal market where everyone can make good money. The advent of 1997 had for a while caused great anxieties and uncertainties about the future, as to whether the Hong Kong success story could be preserved even as a special administrative region under socialist China. In a sense the Basic Law provides for the guarantee that Hong Kong could indeed continue with its previous way of life and its unique and highly acclaimed form of liberal capitalism. If there is anything close to a collective belief or ideology of the Hong Kong population, it is such a desire to uphold whatever

seems to have worked in the past. So instead of looking into an unpredictable future and a more turbulent economic and social environment, the Basic Law drafters crafted Hong Kong's constitutional and political settlement largely with the assumption that the past should be and could be preserved in both institutional and policy terms. The Basic Law is tantamount to 'freezing' Hong Kong. But it also makes it too rigid for Hong Kong to prepare for a more volatile future.

The belief in the Hong Kong miracle has by now largely evaporated as people in all walks of life come to realize that days were too good in the past to be able to extend into the future indefinitely. Losing faith in a conviction is easy, finding an alternative hope is difficult. As Hong Kong loses its previous vigour and glamour and is seen increasingly dependent on favourable economic treatment by the central government in Beijing, especially after the July 1 protests in 2003, the city's worth under the 'one country two systems' formula is also being challenged. In the 1980s, Hong Kong felt insecure in face of the political giant on the mainland, but it took pride in that China had to rely on Hong Kong for economic development and modernization. Hong Kong was then held as a growth model for the rest of China. Nowadays, after over two decades of economic reform and opening up, China no longer needs Hong Kong so desperately. The relationship seems to be turning around, with Hong Kong increasingly being at the mercy of the mainland market.

So is Hong Kong still indispensable to China and thus can justify being given a distinct and somewhat detached status, or would it be gradually absorbed into the mainland system hence losing its more autonomous, pluralist and liberal character? Despite all the clamors for democratization, would the Hong Kong polity be in effect rendered powerless in face of mainland-driven institutionalization when it has no economic chips for use in inter-governmental bargaining? All these crucial questions are making the Hong Kong way of life vulnerable in the days ahead. And in a sense, the strong reaction from all sectors against the legislation of Article 23 of the Basic Law to protect national security – which triggered the massive anti-government protests in July 2003 – underscored how sensitive the general public was towards any perceived attempt to reduce their political freedoms and civil liberties.

Challenges to Government Leadership in Post-1997 Hong Kong

I say at the outset that Hong Kong's crisis of social cohesion is a result of both an economic crisis and a political crisis. The economic crisis has made the population less confident, more anxious and easily agitated in redistributive debates. Most would agree that Hong Kong does have a structural fiscal deficit – either it finds a means to ensure a more stable supply of revenues or it has to contain the growth or even reduce the scope of public service provision. But there is no consensus as to how this can be achieved. Many simply go for short-termism and hope that there will eventually be an economic rebound so that nothing needs to be done to alter the status quo. Most would also agree that Hong Kong's economy desperately needs restructuring so as to face the challenge from globalization and China's rapid development. But should restructuring mean quickly depressing Hong Kong wages and the costs of other factors of production so as to make the city more competitive, or should it depend more on strengthening the capacity for value addition in a high-cost context? Again there seems no consensus on the strategy to be taken – so much so that opposing views are heard in society and business, and even government leaders seem to be

conveying conflicting messages at different times and on different occasions. Paraphrasing Selznick, it is time for Hong Kong's institutional leaders to be creative – providing confidence and a sense of institutional security to the community on the one hand, and avoiding recalcitrance and releasing energies for new paradigms and new strategies that can enable Hong Kong to face future prospects on the other hand.

In the pre-1997 days, Hong Kong's main uncertainty related to the future political status of the city. As far as economic and social conditions were concerned, both government and the population somehow were operating on an implicit basis of consensus that treated the *modus operandi* as best maximizing benefits to all. The Hong Kong economy and society was handled as a “going concern” requiring minimum change. Hence both the business sector and pro-democracy camp as well as civil society groups during the 1980s had largely worked for preserving the status quo within the terms of the Basic Law. What marked the social cleavage at the time were the competing blueprints for the political system, i.e. the so-called pro-democracy vs. conservative debate. But as Selznick (1957: 25) argued, “once an organization becomes a ‘going concern’, with many forces working to keep it alive, the people who run it can readily escape the task of defining its purposes”. In a sense, the Hong Kong population and its institutional leaders, being too embroiled in the democracy issue, were ill-prepared for any unpredictable economic and social developments.

The new Chief Executive Tung Chee-hwa did try to set out some semblance of mission for post-1997 Hong Kong, by advocating closer links with mainland China and a greater sense of national identity, as well as advancing various ambitious targets to make Hong Kong one of the best cities in the world comparable to London and New York. Putting aside whether some of his plans are too grandiose, his main problems have to do with his lack of understanding of the broader social and political environment and the processes involved. He has failed in nurturing a new Hong Kong identity within the “one country two systems” framework. Over-emphasizing nationalism would only undermine the necessary process of local identity building. He has downplayed the political process, assuming that economic boom if continued could make the community largely contented with his new government. By sticking too much to “political correctness” vis-à-vis Beijing and by being insufficiently sensitive to the community's expectations for greater participation in the system of governance, he has purposely or inadvertently allowed his deficiency in legitimacy unaddressed. If he had formed a close alliance with the administrative bureaucracy inherited from the previous colonial government, thereby exploiting its performance records, or if the economy had not been derailed by the Asian financial crisis in late 1997 which led to the bursting of the economic bubble, he might probably have survived as a keeper of the *ancien regime*, extending the colonial logic of government by administrators and paternalistic reforms. In so doing, he could still pretend to preside over a “going concern” where all parties concerned were more interested in continuing the status quo than in charting any uncertain new directions.

However, circumstances did not give Tung the luxury of enjoying the fruit of the past. The advent of prolonged economic recession has tested not only his competence in governing a developed economy caught in trouble, but also his capacity to provide a sense of mission and leadership to various social sectors that have first become nervous and anxious and subsequently turned desperate and frustrated. In economic adversity, hard choices might need to be made (“biting the bullets”, so to speak)

which are likely to be controversial and hence all the more call for consensus politics and a wider political support base. Avoiding recalcitrance and releasing energies for change is the key to any process of paradigm shift. Unfortunately, Tung has paid little attention to the looming political crisis of representation as Castells (1997) would call it. Instead of enlarging the capacity of the executive and legislative institutions laid down by the Basic Law to incorporate more diverse forces and voices – similar to what the colonial government had done in the 1980s and 1990s in terms of the administrative absorption of societal politics (King 1981) into an extensive network of advisory boards and committees so as to shore up government legitimacy – he has gone into the opposite direction by abolishing the two municipal councils, reintroducing appointed members to the district boards (now renamed district councils), marginalizing the legislature in the name of an “executive-led” system, and ignoring a proper role to be played by the more popular pro-democracy opposition parties.

Eroding Existing Institutions Without Creating New and Effective Ones

Tung’s diagnosis of the problems and his solutions

Tung’s diagnosis of his government’s failure in the first term (1997-2002) seemed to fall into two main lines of thought: first, that the civil service had been too so inefficient and rigidly structured that it had not been able to serve him well (this view was shared by the business sector who advocated a more entrepreneurial form of government); second, that there was a lack of respect and support by top bureaucrats for his vision and reform agenda. His answer to the efficiency problem was to introduce civil service reform in 1999; his solution to the political problem was to consider implementing a new system of accountability for principal officials, in essence a regime of political appointment to ministerial posts, announced in October 2000. Both reforms, though in themselves in the right direction, have failed to achieve positive results because of the lack of political management and a good fit with the politics of the times. They are also hindered by the absence of wider institutional reforms.

Much of the civil service reform rhetoric and many of the proposed measures seem to follow the latest global ‘new public management’ (NPM) trends in transforming an overly rigid permanent civil service system into a more market-competitive and flexible workforce in line with prevailing private sector practice. However, the impetus to civil service reform came from domestic problems of administration. Civil servants at management and frontline levels were suspicious of both the motives and efficacy of the reform. Staff anxieties about job security, contracting out and downsizing have also fed into ill-feelings among the rank-and-file who saw reform as an attempt by top officials to score political credits, using them as the scapegoat to be blamed for the poor leadership and performance of the government since the handover (Cheung 2001). The widespread discontent led to the largest-ever demonstration by 30,000 civil servants and their families in July 2002 against the government’s pay reduction legislation. Pay and conditions issues continue to keep governments-civil servants relations tense as the staff side perceives there is a persistent agenda to reduce the cost and size of the civil service through various means (like pay cuts, contractizing civil service jobs, forced voluntary retirements, etc.).

If civil service reform implemented rough-handedly has harmed the welfare and hence the morale of the bulk of the civil service, mainly middle-level and rank-and-file staff, Tung's move towards political 'ministerial' appointments have hit at the very heart of the civil service bureaucracy – namely the interest and morale of the Administrative Class, the elite corps that used to run the government as a kind of 'government party' in the absence of party politics during the colonial era and was groomed as the main source of policy-making talent.

Tung wrongly diagnosed that government failure was primarily due to sabotage by the administrative elites headed by former Chief Secretary for Administration Anson Chan. Instead of taking advantage of an alliance with the senior civil service, which could have been possible under the "Tung-Chan" cohabitation worked out by the Chinese and British governments as the best formula to facilitate a smooth transition of regime power, Tung found himself unable to work with Chan and her bureaucrat colleagues. He eventually secured Beijing's blessing to disempower the bureaucrats, by introducing a new ministerial system of political appointments in the name of enhancing executive accountability.

If he had really intended to strengthen political accountability and the executive team, thereby allowing the senior civil service to become an entirely politically-neutral institution, things would not have been too bad. However, he was only keen to taking back powers from the bureaucracy and poor in building the political executive. Thus he failed to make any institutional arrangements for recruiting ministerial talent, to support ministers with deputies and ministerial teams, to turn the new Executive Council into a functioning and cohesive cabinet, and to establish majority support for his government in the Legislative Council through some form of power-sharing with pro-government parties. One year into his second term (2002-07), instead of helping him to re-establish authority and credibility, the new ministerial system has served to put his government in even greater disarray. Given his non-political background prior to being selected as the first Chief Executive of the HKSAR in late 1996, Tung could have played a leadership role above party politics and engineered a government that might enjoy cross-party support. Yet he allowed himself to be dragged into partisan positions by relying predominantly on the support of pro-Beijing political parties, hence narrowing his social base.

His civil service reform, no matter how well intended and in line with NPM logic, unfortunately took place at a time of economic slowdown, thus triggering all kinds of worries and a great sense of insecurity and uncertainty among civil servants. The content and pace of reform has failed to secure a favourable "public service bargain" (a la Hood 2002) with the bureaucracy, hence inviting criticisms and opposition from almost all ranks. Staff morale was upset while management of the service made more difficult. The timing of such conflict with the civil service is most unfortunate as the political executive is politically weak and vulnerable and has all the more to depend on a loyal and supportive bureaucracy to help deliver performance and give a semblance of government strength in face of rising challenges from various sectors in society.

Further disintegration of a disarticulated system of governance

The political system put in place after 1997 was widely criticized by academics as a

disarticulated and disabled one. Ian Scott, a long-time observer of local government institutions, described it as follows:

“... the relationships between the executive, the legislature and the bureaucracy today are uncoordinated, poorly developed, fractious and sometimes dysfunctional. ... [W]ith a system which is neither parliamentary fish nor presidential fowl, the executive, the bureaucracy and the legislature (which is divided within itself) each pursue their own agendas, punctuated by occasional skirmishes on the boundaries of their domains and by subterranean campaigns to extend their jurisdictions” (Scott 2000: 29).

There are now signs of deteriorating fragmentation. The political executive (comprised of Tung and his politically-appointed principal officials) and the senior civil service do not see eye to eye. Indeed many senior bureaucrats doubt if they are considered by the government team as “one of them”. Civil servants in general do not feel that the government is as pro-civil service as the former colonial administration. The Executive Council appears to be a bunch of self-seeking ministers each harbouring their own ambitions and agenda and seldom working with one another as a cohesion team in defence of a collective mission. The leaders of pro-government parties are not given any clear political role to play. Their party members in the legislature continue to see themselves as competing with the executive for policy influence and protecting the interests of their constituents; without being given any share in decision-making powers, it is understandable why these legislators on the pro-government side would be reluctant to underwrite the government politically. Fissures are thus everywhere – between Tung and his ministers, among ministers, between ministers and civil servants, between Tung and pro-government parties, between the executive and legislature, and of course between government and the pro-democracy opposition. By upsetting the civil service and disempowering the Administrative Class, Tung risks turn the bureaucracy into one of his government’s “hostile” stakeholders. If even the government is suffering a crisis of cohesion, how can this government have the capacity to lead the conflict-ridden and highly anxious community out of the crisis of social cohesion?

As of now, the government is essentially unable to display leadership qualities or to undertake leadership activities even though it is put in the role of making decisions. After the trauma of the July 1 protests, the government has become so aware of its vulnerability and unpopularity that it is not prepared to venture into any controversial policy issues. Hard decisions will simply be put off. Instead of reinvigorating institutions of governance and finding ways to make up for its legitimacy deficit, Tung has simply resorted to lying low and hoping that economic rescue measures initiated by Beijing will help re-stimulate the slow economy and take his government out of the doldrums. But even economic improvements cannot disguise the government’s steady decline in its *regime capacity* (i.e. the ability to mobilize individuals and groups in society to achieve social and economic goals that advance the public welfare, through participation and co-optation), *policy capacity* (i.e. the ability of political executives to marshal information and decision-making powers to make intelligent, credible choices in the public interest and to set strategic policy directions) and *administrative capacity* (i.e. to manage resources, implement policies and enforce laws and regulations effectively through competent public sector organizations and bureaucracies) (Painter 2002). The total capacity of the present HKSAR government is much weaker than the previous colonial government, and yet its internal and external environments are much more daunting and unpredictable.

Such government paralysis and political crisis are in a way partly responsible for the crisis of social cohesion, as government fails to do anything that can help to reconnect different parts of society and display a sense of direction, mission and identity for the Hong Kong public.

Concluding Remarks

While the government cannot be held fully responsible for the crisis of social cohesion, it has a role to play in terms of galvanizing the efforts of other stakeholders in society and pursuing a governance agenda that helps to forge common identity and aspirations rather than to allow society to drift further into fragmentation and disintegration. Crisis can lead to demise and dismay, but it can also open up a window of opportunity for change and new hope. Turning crisis into opportunity requires vision and leadership, as well as conviction and the courage to take risks, as Giuliani discovered in the aftermath of September 11 in New York City (Giuliani 2002). Unless the HKSAR government is prepared and able to display leadership in terms of facilitating paradigm shift and institutional renovation, so as to enable social interaction and social integration to regain ground, there is the danger that the crisis of social cohesion will linger on and induce a vicious cycle of social disintegration and institutional breakdown.

But moving into a position that is able to exert creative leadership *a la* Selznick (1957) requires some fundamental rebuilding work to be done within government to redress the growing internal crises of regime capacity, policy capacity and administrative capacity. Ultimately, in the present Hong Kong context, the question of social cohesion is not just an offshoot of a world-wide phenomenon of breakdown of previous economic and social order, or of those assumptions and values that used to underpin such order, but also very much an outcome of a mismatch between governance institutional arrangements and changing social realities and sentiments, resulting in a widening gap between the supply of and demand for institutional security in a turbulent environment, as well as for institutional conditions necessary for taking Hong Kong to face the challenge of the future more effectively.

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Table 2: Public perceptions of governance institutions, 1997-2003

	July 1997		July 1998		July 1999		July 2000		July 2001		July 2002		July 2003	
Performance of GOV*:	S (%)	NS (%)	S (%)	NS (%)	S (%)	NS (%)	S (%)	NS (%)	S (%)	NS (%)	S (%)	NS (%)	S (%)	NS (%)
• HKU	--	--	18.8	40.6	20.9	32.1	18.3	49.4	22.7	40.3	23.9	43.4	11.4@	68.3@
• CUHK	35.6	12	15.2	53.4	23.7	45.4	12.1	52.2	16.3	42.3	12.6	49.9	9.2	60.0
• HAB	--	--	25	--	31.5	51.0	20	58	26.5	51.5	22.0	60.0	34.0 (May)	54.0 (May)
Confidence in GOV*:	C (%)	NC (%)	C (%)	NC (%)	C (%)	NC (%)	C (%)	NC (%)	C (%)	NC (%)	C (%)	NC (%)	C (%)	NC (%)
• Lingnan	---	---	---	---	---	---	---	---	44.8	48.4	40.2	52.5	41.8 (March)	48.6 (March)
• HKPRI (index)#	99.2		101.0		76.8		71.6		74.6		85.3		71.3	
Performance of CE **	(Average scores out of 100 for HKU/CUHK; out of 10 for Lingnan)													
• HKU	64.5		56.1		54.3		49.4		52.4		51		38.1@	
• CUHK	63.7		56.5		58.4		49.7		52.1		48.9		38.9	
• Lingnan	--		--		--		4.78		4.79 (Sept)		4.82 (June)		3.79 (June)	
• HAB	--		--		--		--		--		--		--	
Confidence in CE:	(Based on index)													
• HKPRI (index)#	85.2		114.7		86		77.9		83.2		91.9		77.4	
Confidence in CS*:	C (%)	NC (%)	C (%)	NC (%)	C (%)	NC (%)	C (%)	NC (%)	C (%)	NC (%)	C (%)	NC (%)	C (%)	NC (%)
• Lingnan									46.5	47.1	47.9	44.9	46.4 (March)	46.8 (March)
• HKPRI (index)#	--		--		75.3		74.4		81.8		73.2		77.9	
Performance of Legco*:	S (%)	NS (%)	S (%)	NS (%)	S (%)	NS (%)	S (%)	NS (%)	S (%)	NS (%)	S (%)	NS (%)	S (%)	NS (%)
• HKU	--	--	--	--	--	--	18.2	17.9	25	19.5	22.6	20.2	11.1	50.3
• CUHK	--	--	--	--	--	--	--	--	--	--	--	--	--	--
• HAB	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Confidence in Legco*:	C (%)	NC (%)	C (%)	NC (%)	C (%)	NC (%)	C (%)	NC (%)	C (%)	NC (%)	C (%)	NC (%)	C (%)	NC (%)
• Lingnan	---	---	---	---	---	---	---	---	46.7	48.3	43.5	50.9	45.8 (March)	49.9 (March)
• HKPRI (index)#	---		141.2		70.9		86.6		85.2		85.5		94.7	
Confidence in JUD*:	C (%)	NC (%)	C (%)	NC (%)	C (%)	NC (%)	C (%)	NC (%)	C (%)	NC (%)	C (%)	NC (%)	C (%)	NC (%)
• Lingnan	---	---	---	---	---	---	---	---	68.7	24.7	71.1	21.9	71.4 (March)	23.4 (March)
• HKPRI (index)#	---		---		81.6		87.7		87.8		73.2		82.7	

Source: SynergyNet (2003).

Lingnan (Lingnan University): <http://www.ln.edu.hk/rsp/info/self-funded.htm>.

CUHK (The Chinese University of Hong Kong): <http://www.cuhk.edu.hk/hkiaps/telpress.htm>

HKU (The University of Hong Kong): <http://www.hkupop.hku.hk/>

HKPRI (Hong Kong Policy Research Institute): <http://www.hkpri.org.hk> and supplied information

HAB (Home Affairs Bureau): <http://www.info.gov.hk/hab/chinese/press/telephone2.htm>

Notes:

GOV = Government; CE = Chief Executive; CS = Civil service; Legco = Legislative Council; JUD = Judiciary

S = satisfied; NS =not satisfied. C = have confidence; NC = do not have confidence.

* Numbers refer to the percentages of respondents who expressed support or non-support, or confidence or non-confidence, as the case might be.

** Numbers refer to the average scores out of 100 to denote the respondents' degree of satisfaction.

HKPRI uses an index method to measure public confidence in different institutions. The data obtained in April 1996 constituted the base index of 100. Subsequent indices reflect the degree of upward and downward deviation from April 1996.

@ HKU conducted two polls on the performance of government in the month of July 2003. The figures cited here were those of the second poll announced on 29 July 2003.