

講  
題

第七屆李達三博士滬港發展講座

「二次過渡」，慎思香港：  
新起點、新範式？

張炳良教授 香港教育大學公共行政學  
研究講座教授



沪港发展联合研究所  
Shanghai-Hong Kong Development Institute



## 滬港發展聯合研究所

滬港發展聯合研究所於二零零一年成立，旨在凝聚復旦大學和香港中文大學的研究力量，提高大學的研究水準；根據社會發展的需要，聯合研究重大戰略性、前瞻性、緊迫性課題，以科學的方法和態度，及新觀點和新視野，向政府部門和企業機構等提供政策性建議，提高大學對政府決策的影響力，為上海和香港經濟持續繁榮發展和社會和諧進步作出貢獻，以及為地區和國家整體謀求更大的福利。

## 李達三博士滬港發展講座

滬港發展講座系列成功舉辦，有賴李達三博士鼎力支持。香港中文大學為了感謝李博士的慷慨資助，特別將講座命名為「李達三博士滬港發展講座」。李達三博士滬港發展講座由 2013 年起每年舉辦，邀請國際知名學者或經濟、金融及政策研究專家主講當前滬港的熱門課題，為學界、商界、政界精英以及老師、同學分析香港與上海發展，推動滬港雙城合作、學術研究與交流，從而切實地貢獻社會。

## 李達三博士

李達三博士生於浙江寧波，畢業於重慶復旦大學會計學系，畢業後來到香港經營電器銷售，在 1955 年成立樂聲電器有限公司，憑著勤奮和獨到的眼光，使業務蒸蒸日上，分店遍佈香港以及東南亞各地，迅即成為國際大型企業。不久更獲得聲寶牌 (Sharp) 電器產品在香港、新加坡和馬來西亞的地區總代理權。

李達三博士在商界成就卓越，同時不忘關懷社群、興學助教。李博士自 1976 年獲邀出任香港中文大學 (中大) 新亞書院校董至今，和中大已有將近四十年的情誼。李博士對中大愛護有加、關愛學生無微不至，歷年捐贈學生助學金，及工商管理學院及電子工程系多項獎學金，又在 1980 年捐資興建李達三樓，幫助工商管理學院擴展之用。為了表揚李博士對香港商業及本校工商管理教育的貢獻，中大於 1984 年頒發榮譽社會科學博士學位予李博士。李博士也大力支持醫學發展，除了資助醫學院外科學系成立「肝膽胰基金」及「李達三訪問教授計劃」，又資助消化疾病研究所的研究工作。

李博士時刻身體力行、回饋社會。2011 年，在李博士的捐資和協助下，香港中文大學與寧波大學簽署李達三國際交流發展基金項目合作協議，共同推動雙方在學術和學生交流、科研以及人才培養方面的合作。2013 年，中大再次得到李博士的鼎力支持，捐款協助滬港發展聯合研究所，推動滬港雙城發展及合作、學術研究與交流，包括舉辦講座，為表謝意，中大把講座命名為「李達三博士滬港發展講座」。香港特別行政區政府在 2015 年向李博士頒發大紫荊勳章，讚揚他長期參與社會及慈善服務，尤其對本港高等教育及人才培訓方面，不遺餘力，是一名備受尊崇的慈善家。

## 張炳良教授

張教授為香港教育大學公共行政學研究講座教授、前任校長，及香港科技大學公共政策學部兼任教授，專研管治、公共行政及公共政策。他長期積極參與公共事務，出任不同重要政府公職，曾擔任香港特區運輸及房屋局局長、行政會議非官守成員及立法局議員，現為自資專上教育委員會主席、及教育統籌委員會和大學教育資助委員會委員，期間獲委任主持專責小組，檢討香港自資專上教育，支持高等教育多元發展。



## 講座花絮



The 7<sup>th</sup> Dr Li Dak Sum Shanghai-Hong Kong Development Lecture

## Critical Thoughts as Hong Kong Enters the ‘Second Transition’: New Starting Points, New Paradigm?

Professor Anthony B. L. Cheung

19 November 2021

I thank the Chinese University of Hong Kong for giving me the honour to deliver this year’s Shanghai-Hong Kong Development Lecture.

I was originally asked to give a lecture two years ago, at a time when the city was embroiled in fury and fire. In just two years, Hong Kong has gone through change beyond recognition. We are now entering the ‘second transition’, or ‘second return’ (二次回歸) as some would call it, with new uncertainties and possibilities.

### *Hong Kong Exceptionalism*

None of us has any crystal ball, though there are many soothsayers around making gloomy or boomy predictions. However, understanding how we have come to the present juncture may well help us contemplate the future.

So let me begin with my latest book just published this month, of the title: *Can Hong Kong Exceptionalism Last?*.<sup>1</sup> In it I reflect on Hong Kong’s historical trajectory around the notion of Hong Kong Exceptionalism.

Hong Kong under British rule was governed as an atypical colony – neither entirely traditional/colonial nor fully modern, and neither British/Western nor Chinese, but rather a special kind of hybrid created by historical circumstances. Cultural critic and writer Chan Koon-chung (陳冠中) once described it as a city of hybridity (雜種城市).<sup>2</sup>

---

<sup>1</sup> Cheung, A. B. L. (2021) *Can Hong Kong Exceptionalism Last? Dilemmas of Governance and Public Administration over Five Decades, 1970s-2020*, November, Hong Kong: City University of Hong Kong Press.

<sup>2</sup> Chan, K. C. (陳冠中) (2005) *My Generation of Hongkongese* [in Chinese, 《我這一代香港人》], Hong Kong: Oxford University Press.

From 'borrowed time, borrowed place',<sup>3</sup> Hong Kong eventually mastered its own formula of growth which was *unique* within the Anglo-Saxon world to which it then belonged. As one of the Four Little Dragons of East Asia by the early 1990s,<sup>4</sup> it was yet distinct again from the state-developmental path pursued by the other three – namely Singapore, South Korea and Taiwan.

Colonial Hong Kong did not have democracy but was gradually renowned for its civil freedoms, rule of law, an efficient administration, a booming market economy, and good social services while not a welfare-state.

Under the Basic Law, Hong Kong was designed to be *exceptional* as a special administrative region (SAR) within the highly centralized party-state of the People's Republic of China (PRC) led by the Chinese Communist Party (CCP).

Free from most national legislation and able to conduct its own external and trade affairs as 'Hong Kong, China', the city enjoys rights and autonomy unparalleled in provinces and municipalities on the Mainland. It is more autonomous than other global cities like New York and London within their respective national structure.

The Basic Law accords to Hongkongers a unique identity as 'Hong Kong Permanent Residents' (HKPR) based on which political, civil and social rights within the SAR are defined. They can travel with separate Hong Kong passports.

Hong Kong's exceptionalism are thus *both* historical and constitutional.

### *Ambiguities and Tensions*

Over two decades after reunification, Hong Kong has remained a geopolitical hybrid, within the broad PRC jurisdiction (hence 'in') and yet largely outside the specific application and jurisdiction of national laws and national institutions and practices (thus 'out').

As a result, ambiguities and tensions have been almost a regular feature. Tensions could be constructive. But should autonomy and difference be taken to such an extreme as to challenge national authority and threaten national

---

<sup>3</sup> Hughes, R. (1968) *Hong Kong: Borrowed Place, Borrowed Time*, London: Andre Deutsch.

<sup>4</sup> World Bank (1993) *The East Asian Economic Miracle: Economic Growth and Public Policy*, New York: Oxford University Press.

security, then distrust and conflict would erode the delicate foundation of the 'One Country, Two Systems' construct.

Unfortunately, that was what happened during the political turbulence in 2019 and part of 2020.<sup>5</sup> It proved to be a game changer. Confronting a rebel city and suspecting a 'colour revolution' instigated by foreign and external forces, the central government has imposed a stringent national security regime and set out to revamp Hong Kong's political order, partly through extensive electoral changes, to ensure loyalty.<sup>6</sup>

The previous path dependence has been altered.

---

<sup>5</sup> Lam, J. and Ibrahim, Z. (eds) (2020) *Rebel City: Hong Kong's Year of Water and Fire*, Hong Kong and Singapore: South China Morning Post and World Scientific Publishing. The massive social unrest in Hong Kong in 2019 was triggered by the SAR government's attempt in amending the extradition law to include the transfer of fugitives and offenders to Mainland China for crimes committed there. Controversies soared regarding civil liberties. Starting as peaceful protests and sit-in at the government headquarters in June 2019, these later escalated into riotous violence and serious polarization. On 1 July 2019, the anniversary of Hong Kong's reunification with China, radical separatists stormed into the legislative chamber, desecrating the SAR emblem and waving the old British colonial flag. Some organizations and shops with mainland ownership or connections were vandalized. Mainland sentiments became agitated. The national day on 1 October 2019 to mark the 70<sup>th</sup> anniversary of the founding of the PRC was greeted by violent street protests and confrontations. The SAR government had to impose emergency regulations on 4 October 2019 to ban the wearing of face masks in public gatherings. More stormy confrontations ensued in November 2019 around the campuses of two universities.

<sup>6</sup> In face of a suspected separatist movement aimed at regime change, China's National People's Congress imposed a national security law on Hong Kong at the end of June 2020 and revamped the city's electoral system in March 2021 to ensure only 'patriots' would administer the city. The proportion of directly elected seats on universal suffrage is more than halved from 40 out of 70 seats, to 20 out of an expanded Legislative Council of 90 seats. The bulk of the legislative seats (40) now goes to the Election Committee which elects the Chief Executive, hoping it would cement executive-legislative cooperation. Of the 30 functional constituency seats representing professional/occupational sectors, only 7 are elected by individual electorates while the rest by very restricted or corporate electorates. Such changes would return more legislators who are less aggressive towards government than previous legislators mandated by popular geographical or functional votes. The Election Committee is enlarged (to 1,500 members) to incorporate a fifth sector of 300 local delegates to and representatives of national political institutions and organizations to better safeguard 'national interest'. Sub-sector elections for the Election Committee are essentially based on corporate voting by designated organizations and ex-officio/nominated seats, ending individual voting which favoured the pro-democracy camp in the past. All legislative candidates must now obtain nominations from all five sectors of the Election Committee in addition to the electorate of their respective constituencies, and afterwards be vetted by a new eligibility review committee.

## *Historical Transformation*

How can one make sense of Hong Kong's journey so far? Historically Hong Kong's strategic position had rested upon its intermediary role between China and the external world. Changes in China had been critical to Hong Kong's economic and social transformation.

Hong Kong's first economic transformation, in the 1950s-60s, from entrepôt trade to manufacturing industries, would not have been possible without the arrival of industrialists and migrant labour escaping from economic and political turmoil on the Mainland. When China was blockaded by US-led containment and both Northeast and Southeast Asia embroiled in political instability and armed conflict, Hong Kong enjoyed relative tranquility and a unique intermediary advantage and hence prospered.

Hong Kong and Shanghai used to be 'twin cities'. If not for the incessant troubles on the Mainland, the eminence of Shanghai – once renowned as 'the Paris of the Orient' – would not have given way to Hong Kong. It is not exaggerating to say that Hong Kong's rise was thanks to Shanghai's decline in the 1960s-70s. Those leading Shanghai industrialists and businessmen coming to Hong Kong became the backbone of the local industrial class.<sup>7</sup>

For long years the British saw Hong Kong's importance as a military and trading outpost in the Far East, rather than a colonial settlement. They left the local Chinese population largely to their own under some form of indirect rule. Administrative transformation and social reforms were only spearheaded by the British administration after the 1967 riots, a local offshoot of the Cultural Revolution.

Because of the Cultural Revolution, many local Chinese preferred to be disassociated with the Mainland which by then was considered an economic backwater. They gradually took up a 'Hong Kong Belonger' identity promoted by the colonial rulers.

Hong Kong's second economic transformation, during the 1980s, was driven mainly by China's open-door and economic liberalization policy after the end of

---

<sup>7</sup> Wong, S. L. (1989) *Emigrant Entrepreneurs: Shanghai Industrialists in Hong Kong*, Hong Kong: Oxford University Press.

the Cultural Revolution. Most manufacturing activities were relocated to the Mainland in pursuit of opportunities and cheaper costs of production.

Hong Kong became quickly transformed into a service hub, expanding its impact as a regional financial, trading and transportation centre. Its financial and professional services prospered thanks to a rapidly developing Mainland. By the early 1990s, Hong Kong's economic, institutional and cultural power was at its zenith. Its GDP was nearly 30% that of the Mainland.

### *Role Model in China's Modernization*

Hong Kong's cut-off from the Mainland was short-lived in historical terms. Once the Cultural Revolution was over, it was to quickly re-enter the China orbit. Hong Kong entrepreneurs, managers and professionals were soon all over the country.

An era of 'front shop, back factory' (前店後廠) marked a new economic relationship with the Pearl River Delta region. People today cannot imagine that Cantonese was cherished on the Mainland in the 1980s as the 'language of economics' (經濟語言) due to the importance of the Hong Kong factor. For some years there was a trend to study Hong Kong in all aspects. Deng Xiaoping even urged that more 'Hongkongs' be built in China.

Such re-entry to the Mainland coincided with the conclusion of Sino-British talks on Hong Kong's return to China in 1997. Retaining Hong Kong's status quo was not just a historical compromise but also geared towards serving China's greater scheme of reform by keeping the city as a flourishing free-market economy open to the world. Hong Kong's growth as an 'extended economy' (體外經濟) on the Mainland has benefitted immensely from national policies in favour of external investments.

Hong Kong soon became a model for Shanghai, Shenzhen, Guangdong and other provinces and cities in a wide range of fields – including market practices, banking system, financial regulation, land administration, housing reform, and even consumer protection. Both the Shanghai and Shenzhen stock exchanges were largely replicates of the Hong Kong Stock Exchange.

Those were the heydays of Hong Kong.

## *Reunification and Reintegration*

The principal challenge to Hong Kong has since been Reunification and Reintegration – i.e., the prospect of reconnecting and adapting to the previously detached national mainstream under ‘One Country, Two Systems’.

In addition, as the Mainland economy took off rapidly in the late 1990s, Hong Kong has been caught in a new dilemma of growth. Hong Kong’s economic future could only be secured within an expanding and globalizing Chinese economy, described by Professors Stephen Chiu and Lui Tai-lok as ‘(re)embeddedness’ as a Chinese global city with competitive advantage.<sup>8</sup> The key to continued success lies in its balance of being *both* global and Chinese.

Hong Kong’s interest would be best served if it can display its *distinctness* from the Mainland as well as its *closeness* to the Mainland (and other parts of a booming Asia) – a somewhat paradoxical positioning. As an active player of the international supply chain and banking system, Hong Kong cannot go far should its global connectedness dwindle for whatever reason.

The ‘One Country, Two Systems’ arrangement was conceived as a novel synthesis of systemic contradictions – to restore the crown jewel to China which valued Hong Kong’s hybridity as a Chinese city with British/Western legacies especially in law, public administration and education, with cosmopolitan attraction.

The 1997 reunification should have been the dawn of another journey for Hong Kong to acquire a new and enriched identity and to leverage new opportunities accorded by China’s modernization. Instead, it turned out to be the beginning of uneasiness and identity anxiety.

Many in Hong Kong had once hoped that as a global financial hub, the city could become China’s economic capital after 1997 just like New York to the US. When then Premier Zhu Rongji described Hong Kong as ‘China’s Toronto’ during his visit to Canada in April 1999, they were disappointed. The political reality was Hong Kong was peripheral to the country’s socialist system. Shanghai was groomed to be the ‘New York’ of a Reforming China.

In the early years of reunification, Hong Kong was grounded in an inherited self-sufficiency and enclave mentality. Attempts by Guangdong and Shenzhen for

---

<sup>8</sup> Chiu, S. W. K. and Lui, T. L. (2009) *Hong Kong: Becoming a Chinese Global City*, London: Routledge.

closer link to Hong Kong were mostly cold-shouldered. Development on the Mainland side was not factored into Hong Kong's strategic planning until the past decade, but still somewhat reactively.

Once the Mainland economy entered a high-growth phase in the 2000s, with a quantum jump in infrastructure and innovation & technology, Hong Kong suddenly felt the threat of being dwarfed and marginalized. Today, Hong Kong's GDP (US\$320 billion) is barely 2.2% that of the Mainland (US\$14.72 trillion), a far cry from the pre-1997 era.

It was unfortunate that soon after reunification, the Asian Financial Crisis broke out which triggered Hong Kong's worst economic recession in 30 years and exposed its structural gaps. The city's economic pride was shattered. Then came the July 1 mass protests in 2003 which marked the first governance crisis of the SAR. The central government shifted its Hong Kong policy away from the previous hands-off approach.

### *Economic Absorption of Politics*

Beijing could not let Hong Kong fall either economically or politically. Integration was promoted as the solution.

Immediate support came in the form of CEPA (Closer Economic Partnership Agreement) and the Individual Visitor Scheme. CEPA benefits business at large and some professional services while the arrival of large numbers of Mainland visitors helps the tourism and retail sectors, providing a good number of downstream jobs.

Since 2006, Hong Kong (along with Macao) has been included in the national Five-Year Plans. It is encouraged to take part in various regional platforms, such as the Pan-Pearl River Delta '9+2' Forum and now the Guangdong-Hong Kong-Macao Greater Bay Area development. Regional transport infrastructure – notably the Hong Kong-Zhuhai-Macao Bridge and the Express Rail Link – helps facilitate a so-called 'one-hour sphere of living' (一小時生活圈).

To further boost Hong Kong's global financial centre and in turn strengthen mutual stocks investment, the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect were launched in 2014 and 2016 respectively. Today Hong Kong has become the largest Reminbi (RMB) offshore market capturing 70% of RMB payments.

Beijing thought that an 'economic absorption of politics' would work. But pain also came with gain. The huge influx of Mainlanders – whether as visitors or living and working in Hong Kong – has exposed the city's capacity constraint, fuelling the rising 'politics of fear (of losing)' among the locals in recent years.

As pointed out by Professor Sung Yun-wing,<sup>9</sup> there exist major asymmetries – in terms of level of economic development, economic size and degree of openness. These have created potential problems of worsening local income distribution and of Mainland market demand overwhelming supply capacity in Hong Kong.

Both the economic and social equations underpinning 'One Country, Two Systems' have changed drastically compared to the 1990s.

### *The Rise of Shanghai and Shenzhen*

The rapid rise of Shanghai and Shenzhen was symptomatic of China's resurgence as a global economic power. The two S's have eventually proved to be a strong competitor and rival of Hong Kong, as best illustrated by the preeminence of their ports.

Until 2004, Hong Kong was the number 1 seaport in the world. Then it was surpassed by Singapore which in turn lost to Shanghai. For several years, until 2013, Hong Kong was number 3, closely followed by Shenzhen the port facilities of which were, ironically, developed by Hong Kong investors. Then Shenzhen passed over Hong Kong which has now gone further down to the 8<sup>th</sup> place last year.<sup>10</sup>

The reason for the rise of Mainland ports is quite simple. China is the world's largest factory and product market, and leading Mainland ports benefit from both export and import trades while Hong Kong functions mainly as a transshipment port, especially for high-value and precision goods. Today, 9 of the top 10 ports in the world are in Asia, of which 7 are in China (including Hong Kong).

---

<sup>9</sup> Sung, Y. W. (2018) "Becoming Part of One National Economy: Maintaining Two Systems in the Midst of the Rise of China", in T. L. Lui, S. W. K. Chiu and R. Yep (eds) *Routledge Handbook of Contemporary Hong Kong*, London: Routledge, pp. 66-86.

<sup>10</sup> Shenzhen was replaced by Ningbo-Zhoushan as number 3 in 2020.

*Shanghai*'s population is 3.6 times that of Hong Kong. Its GDP (US\$608 billion) is nearly double that of Hong Kong (US\$320 billion). With its pre-1950s foundation as a major seaport and trading, financial and manufacturing centre of China, it is not surprising that it has quickly restored its past glory.

Attracting international traders, bankers and professionals to set up business there, Shanghai now leads the Yangtze River Delta Economic Zone which accounts for 20% of the Mainland's GDP and one-third of its imports and exports. It has more self-confidence than Hong Kong and aspires to think and plan big.

*Shenzhen* has grown exponentially from a small town of less than 100,000 people into a metropolis of 12.6 million in just over four decades. Dubbed 'China's Silicon Valley', it is now more vibrant than Hong Kong. Its GDP (at US\$401 billion) exceeds Hong Kong's by 25%.<sup>11</sup>

The Shenzhen miracle is applauded worldwide.<sup>12</sup> Few could still remember that back in 2003, Shenzhen as a special economic zone (SEZ) was caught in an existential crisis, when many enterprises and talent moved away from it to the newly booming Yangtze River Delta region.<sup>13</sup> But Shenzhen had quickly recovered and embarked on a new path led by innovation & technology.

Once a satellite of Hong Kong, Shenzhen has outgrown the Hong Kong model. It has found its unique high-tech route after being rejected for integration by Hong Kong in the early 2000s. It now attracts talent, enterprises and investors from all over the country.

In August 2019, when Hong Kong was in serious political unrest, the central government announced the plan to boost Shenzhen's growth into a new SEZ to carry out bolder reforms as a model for other Chinese cities. Then at the ceremony on 14 October 2020 to commemorate the 40<sup>th</sup> anniversary of

---

<sup>11</sup> Hong Kong's per capita GDP (US\$46,324) is double that of Shenzhen (US\$22,846) (2020 figures).

<sup>12</sup> Shenzhen is noted by UN-Habitat (United Nations Human Settlements Programme) as being innovative, inclusive, young and high-tech – See UN-Habitat (2019) *The Story of Shenzhen: Its Economic, Social and Environmental Transformation*, Nairobi, [https://www.metropolis.org/sites/default/files/resources/the\\_story\\_of\\_shenzhen\\_2nd\\_edition\\_sep\\_2019\\_0.pdf](https://www.metropolis.org/sites/default/files/resources/the_story_of_shenzhen_2nd_edition_sep_2019_0.pdf).

<sup>13</sup> The 2002-03 "Shenzhen, by whom are you being dumped?" (深圳, 你被誰拋棄?) debate, see <https://baike.baidu.com/item/%E6%B7%B1%E5%9C%B3%E5%BC%8C%E4%BD%A0%E8%A2%AB%E8%AA%B0%E6%8B%8B%E6%A3%84/15165006> (in Chinese).

Shenzhen's SEZ, President Xi Jinping spoke highly of the Shenzhen model, offering further central policy support.<sup>14</sup>

According to the annual *Chinese Cities Competitiveness Report* compiled by the Chinese Academy of Social Sciences, Hong Kong topped the league in comprehensive economic competitiveness until 2014 (followed by Shenzhen and Shanghai). Since then, it has been overtaken by Shenzhen to become number 2, followed by Shanghai.<sup>15</sup>

Hong Kong still has the highest per capita GDP but some aspects of urban living in Shanghai and Shenzhen, such as housing space and cultural institutions and resources, have outperformed Hong Kong. With Shanghai and Shenzhen on continuous rise, there is concern that Hong Kong might become eclipsed.

In September 2021, the central government unveiled the plan for the Qianhai Shenzhen–Hong Kong Modern Service Industry Cooperation Zone, expanding the present Qianhai area by over 8 times (from 14.92 sq. km. to 120.56 sq. km). It is clear Beijing expects wider collaboration and integration between the two most advanced southern metropolises.

Given Hong Kong's present stagnant economic and political situation, speculation is rife whether Beijing is planning to use Shenzhen to eventually replace or incorporate Hong Kong. Or can the two cities work together as a mega-metropolis?

### *Is Hong Kong Losing Comparative Advantage?*

Just how problematic is Hong Kong? The answer would be a mixed one.

Hong Kong has a litany of achievements. It is one of the world's top free-market economies, the 3<sup>rd</sup> top global financial centre (after New York and London) and,

---

<sup>14</sup> President Xi called on Shenzhen to build itself into a pilot zone for socialism with Chinese characteristics, set an example for cities of a modern socialist country, increase its capabilities to implement the new development philosophy, build a new pattern to deepen all-round reform, expand opening-up on all fronts, and contribute to the construction of the Guangdong-Hong Kong-Macao Greater Bay Area. Shenzhen will be given more autonomy to carry out reforms in important fields and at key links. To further empower Shenzhen's future growth path, the central government will roll out 27 reform measures and 40 prior authorization items for Shenzhen.

<sup>15</sup> In sustainability competitiveness Hong Kong tops the 2020 list, followed by Shenzhen (2), Taipei (3) and Shanghai (4).

before COVID-19, the busiest cargo airport and 3<sup>rd</sup> busiest international passenger airport (after Dubai and London Heathrow).

Hong Kong ranked 3<sup>rd</sup> in the World Economic Forum's 2019 Global Competitiveness Index (after Singapore and the US). Infrastructure had been ranked number 1 by the Global Competitiveness Report for several consecutive years until 2018 when overtaken by Singapore.

Over the years Hong Kong has scored very highly on the World Bank's global governance indicators – especially in government effectiveness, regulatory quality, rule of law, and control of corruption. Its 'political stability' was rated well ahead of the US, UK and South Korea until 2019 when widespread political unrest halved its score (from 75 out of 100 to 36.7). Its score in 'voice and accountability' has also dropped (from 61 to 54.2) but is higher than Singapore (at 39.4).

According to the 2021 Human Freedom Index Report on more than 160 countries and regions,<sup>16</sup> Hong Kong tops the economic freedom index, followed closely by Singapore.<sup>17</sup> It comes 3<sup>rd</sup> in overall human freedom, after New Zealand and Switzerland. In personal freedom, it is less prominent, sharing the 27<sup>th</sup> rank with Japan, just behind the US.

Among major cities Hong Kong has one of the largest clusters of world-class universities. The quality of the healthcare and education systems is highly regarded internationally. The McKinsey's 2021 report on the urban transport systems of 25 global cities puts Hong Kong top in public transport efficiency.

Overall unemployment rate has all along been at a low level (around 3%) except most recently because of COVID-19. Youth employment fares far better than many developed economies. Life expectancy is the highest in the world. Also, Hong Kong is among the world's safest cities.

Such a performance scorecard would make it the envy of many developed countries and cities.

---

<sup>16</sup> The Human Freedom Index is co-published by the Cato Institute, the Fraser Institute, and the Liberales Institut at the Friedrich Naumann Foundation for Freedom, <https://worldpopulationreview.com/country-rankings/freest-countries> (accessed 16 October 2021).

<sup>17</sup> Because of political unrest and the perceived uncertainties about its future autonomy and freedom, it lost its longstanding 1st place to Singapore in the Heritage Foundation's 2020 Index of Economic Freedom and is no longer even ranked as a separate economy in 2021.

Yet, despite overall affluence and the high living standard, deep-seated structural disparities persist. The income and wealth gaps have widened. Social mobility has slowed down. Housing affordability is one of the worst among the world's big cities. In-work poverty and elderly poverty are emerging problems. The population is fast ageing – in 20 years' time, 30% will be aged 65 or above – making medical services even more stretched. The retirement security system needs an overhaul.

Hong Kong is lagging behind some major cities in fostering a green and smart environment. Urban living pressure is making people unhappy. According to the 2021 World Happiness Index the city ranks only 77<sup>th</sup> among over 150 countries and regions, behind Taiwan and Singapore.

The greatest threat comes from political polarization and the souring relationship with the Mainland in recent years. What is most worrying is that many in our younger generation seem to be losing hope in the future. Two opposing kinds of fatalism can be detected – those convinced that Hong Kong is collapsing due to an alleged Mainland intrusion and those who conclude that the Hong Kong system no longer works and must depend on Mainland 'salvation'.

### *A Looming Existential Crisis*

The 2019 political turbulence can be explained by multiple factors – including poor leadership and crisis management of the government; runaway separatism (fed by misguided *laam chau* 攞炒 illusions); and external and foreign manipulation.

A practicing lawyer recently wrote in a newspaper:

*“... something must have gone terribly wrong on the campus, with some students having been instilled with toxic ideology. The damage is so severe that they simply disregard law and order, not to mention the virtues of respect, courtesy and conscience. ... As university students, they should be mature and intelligent enough to distinguish between what's right and wrong. To love or, at least, to respect one's motherland, and to obey the law are two fundamental duties every rational person should have”.*<sup>18</sup>

---

<sup>18</sup> Stanley Chan (2021) "What has gone wrong on our university campuses?", *China Daily Hong Kong Edition*, 4 November, Hong Kong.

That so many young people were active in hostile and sometimes violent actions against the establishment order over the past two years indeed begs critical reflections. For every accusation, there is a counter accusation about government repression and censorship, about suppressing freedoms and democracy. The ideological and emotional divide remains huge.

For one thing, an innate uneasiness about 'One Country, Two Systems' accounts for the persistent sentiments of suspicion, distrust and resentment, culminating in a rising politics of identity. Self-confidence and self-pride are at risk, inducing a complicated complex displaying both self-pity (of feeling marginalized) and grand dream (of achieving a 'stateless nation' gaining international sympathy).

In explaining the roots of the 'Brexit' madness in the UK, Fintan O'Toole argues in his book *The Politics of Pain: Postwar England and the Rise of Nationalism*<sup>19</sup> this can be traced to the gradual demise of Britain after the War when, in the words of former US Secretary of State Dean Acheson's famous 1962 remarks, "Great Britain has lost an empire but has not yet found a role".

In O'Toole's observation, "The power of Brexit is that it promised to end at last all this tantalizing uncertainty by fusing .... contradictory moods into a single emotion – the pleasurable self-pity in which one can feel at once horribly hard done by and exceptionally grand. Its promise is, at heart, a liberation, not from Europe, but from the torment of an eternally unresolved conflict between superiority and inferiority."

Post-1997 Hong Kong appears to have gradually come to a similar paradoxical psyche. There was high fever in 2019 (or 'madness', borrowing O'Toole's expression). But Hong Kong cannot 'exit' from China.

Because of Hong Kong's excesses in 2019, bitter resentment towards the city has emerged on the Mainland. Hong Kong people are perceived as being ungrateful to the nation and serving the interests of foreign powers. A vicious cycle has set in. The local-Mainland divide has widened.

After 2019, the central government is convinced that Hong Kong must be disciplined and reoriented. Hence the imposition of the national security law targeting those working 'against China and disrupting Hong Kong' (反中亂港) as

---

<sup>19</sup> O'Toole, F. (2019) *The Politics of Pain: Postwar England and the Rise of Nationalism*, New York: Liveright.

well as a revamped ('enhanced') electoral system to put only 'patriots' in charge of the SAR. Beijing sees these moves as essential in charting a new course to ensure 'the smooth and long-term successful practice' (行穩致遠) of 'One Country, Two Systems'. Some in Hong Kong and overseas label them as a retreat from previous political diversity and tolerance.

Hong Kong's looming existential crisis emanates from its declining economic charm, its lack of trust by Beijing, its failure in repositioning within the fast-changing national landscape and, not the least, the impact of global geopolitics which it cannot influence.

### *Changing International Geopolitics*

Now the world's second largest economic power, having surpassed the US in purchasing power parity (PPP) terms,<sup>20</sup> China is pursuing its own alternative path of rapid development. It has more confidence in its own socialist system and would not succumb to a US-dictated world order. That does not mean China goes for a non-rules-based order. What China seeks is a revised international order where she can play a rightful leading role.

The US and some Western powers, however, see China as a new breed of authoritarianism which is economically and technologically strong enough to ignore the West. They talk of a clash of systems where the hitherto Western-defined international order and even Western civilization are being threatened. The US is spearheading a global strategic offensive – as seen in its Indo-Pacific Strategy, QUAD (US, India, Australia, Japan) and AUKUS (US, UK, Australia) – to contain China's further rise.

Western responses to Beijing's tightening grip over Hong Kong are based on a skewed assessment that the city is ebbing towards 'One Country, One System'. Their sanctions and marginalization of Hong Kong have the net effect of hollowing out its international hub status, on a false logic of '*destroying a village in order to save it*'.

As US-China conflict prolongs, the central government expects loyalty from Hong Kong and cannot tolerate any activities seen to be aiding the West in

---

<sup>20</sup> PricewaterhouseCoopers (PWC) (2015) *The World in 2050: Will the shift in global economic power continue?*, February, London.

harming national security and dignity or sabotaging regime stability. It does not take foreign interference in Hong Kong's politics lightly.

The city risks becoming the pawn of Western offensives against China as well as a victim of collateral damage in any ensuing hostilities. But it cannot stay 'neutral' as if a disinterested party.

### *Dilemma and Paradox*

The wounds inflicted by 2019 can only be healed through a steady process of reconciliation, revitalizing pluralism and rebuilding participatory governance, *but* only when all protagonists concerned give up their warzone and zero-sum mentality.

The relationship between the 'Two Systems' is not the same as between two equal partners. It requires a delicate balancing act between the centre and periphery, underpinned by mutual respect and accommodation of differences. Otherwise, both sides are easily prone to feelings of being 'under threat'.

Falling from grace in Beijing and with both Shanghai and Shenzhen ascending as China's innovative economic powerhouse, and the Western world belittling the SAR, some wonder if there still exists a place for Hong Kong? Will there be another historical opportunity for Hong Kong to reinvent itself and pick up a new momentum of growth? The answer is "yes, but..."

Beijing needs a Hong Kong that is 'special' and distinct from the rest of the country, that can offer a kind of hybrid space for interaction with the West and provide institutional flexibilities to facilitate China's advancement such as in international finance. *Yet*, an SAR that ignores the larger national connection and context or pays minimal attention to national security will not make Beijing comfortable.

Equally, international business values Hong Kong as being different from the rest of China, and *yet* it will not put its eggs in Hong Kong if the city lacks the nation's trust or is not in step with China's advancement.

Hong Kong's *raison d'être* (or sense of purpose) is its exceptionalism, but this is conditional upon the city's acceptance of 'One Country, Two Systems' within a CCP party-state and not disrupting the national political order. Such paradoxical perimeters define the space for growth and autonomy of Hong Kong.

### *Limitations and Opportunities*

Beijing has prescribed new starting points and expectations for the next phase of ‘One Country, Two Systems’, which can be summarized as follows:

1. Hong Kong cannot challenge ‘One Country’ prerogatives or harm ‘national security’.
2. The central government has comprehensive jurisdiction over the SAR.
3. Hong Kong must be administered only by the ‘patriots’ who respect the PRC and Basic Law constitutional order.
4. Hong Kong must be integrated into overall national development.
5. Hong Kong must take an active part in the Greater Bay Area and deepen collaboration with Shenzhen.
6. Hong Kong must resolve the deep-seated contradictions in society.

The gist of the new political order is to minimize the pan-democratic force, contain populist politics and remake the executive-legislative relationship. There are more restrictions but that does not mean the end of politics. Hong Kong’s high degree of autonomy, freedoms and way of life remain protected by the Basic Law. The question is how our various institutions can work to safeguard them.

There is still room for some competitive politics, in-between Western-style democratic competition and Mainland-style patronage politics. Public administration cannot be divorced from the national system of governance whilst retaining institutional features inherited from the British legacy. Civil servants have to pledge allegiance to the nation.

English law continues to be practised and judicial independence entrenched. However, the SAR is to respect the national legal system and its jurisdiction when it comes to matters of national interests and acts of central state.

Hong Kong remains an open and free market economy, unlike a state-directed system on the Mainland. But the government needs to embrace a more proactive and social development approach to address distribution and redistribution problems. Hong Kong’s global connectedness is still valued. However, Western-friendliness cannot turn into a Trojan horse to subvert the national socialist system.

Under the Basic Law Hong Kong enjoys more flexibilities to embark on bolder initiatives and institutional innovations that Shanghai or Shenzhen is unable to do because they belong to the other 'System' within 'One Country'. Should Hong Kong fail, Shanghai and Shenzhen may not win because they cannot replicate its exceptionalism. The city that stands to gain, so to speak, is Singapore. And I do not think the central leaders want that to happen.

During my final official visit to London in early 2017 as Secretary for Transport and Housing, I held a close door sharing session with international leaders and experts of the maritime services sectors based there. The question from them that haunted me most was:

*"Why do you say Hong Kong is so special and attractive as a hub when Singapore is closer to Asia and Shanghai is at the heart of a booming China?"*

The undertone was clear enough: Hong Kong might well find itself only at the margin of major happenings in this region.

### *Greater Bay Area*

Hong Kong's comparative advantage lies in its location and people, as an outlier and adventurer (敢為天下先).

In the past Hong Kong was renowned for its 'Can do' spirit which made it highly adaptive and pragmatic, scaling new heights despite the ups and downs caused by repeated external challenges and internal crises. Hong Kong's mission is to make the best of 'One Country, Two Systems' as an enabler of ventures, rather than a straitjacket that curbs daringness, entrepreneurialism and innovation. Its vitality lies in its soft power, free and open society, and institutional vibrancy.

While cognizant of limitations and the changing international geopolitics, Hong Kong should strive to increase its visibility within the nation and be proactive as 'Hong Kong, China' in the global arena, to tell a passionate and persuasive Hong Kong story.

Hong Kong is an important part of the Greater Bay Area (GBA), not outside GBA. From now on, it should project a forward-looking regional outlook. The GBA should not be seen as a residual option, or worse the dumping ground for our internal problems, *but* as a strategic and extended platform for this global city's outgrowth, leveraging its uniqueness and flexibilities—as testing ground for a

Hong Kong growth model 2.0 that factors in regional, national and global changes.

Economic integration should be grounded in cooperation and complementarity, which demands adaptive strategies. Niche areas should be consolidated and enhanced, such as finance and asset management, aviation and maritime hub, and professional, cultural and human services. In creative industries and innovation & technology, Hong Kong should focus on those aspects where its talent can be better showcased vis-à-vis the stronger technological capacity on the Mainland.

I believe the central government does not see Hong Kong just as another Mainland city. Neither does it want a self-contained enclave. It wants a Hong Kong that can *take the lead*, together with Shenzhen and Guangzhou, in making the GBA tick, beaming economic, social, cultural and technological impacts.

Right now, both politics and economics may not be working in Hong Kong's favour. But it does not have to mean the 'end of Hong Kong' as some international media and commentators portray.<sup>21</sup> The guarantee to Hong Kong's demise is the evaporation of its *critical* value to a rising China, i.e., the ability to 'serve the national needs where Hong Kong is the best' (國家所需·香港所長) as once said by Premier Li Keqiang.

Hong Kong people will have only themselves to blame if this once world-renowned cosmopolitan city becomes written off by history because of a self-fulfilling prophecy.

---

<sup>21</sup> *Financial Times* (2020) "The End of One Country, Two Systems in Hong Kong." July 2, London. Available online: <https://han.gl/2rhwN/>.

## Q&A Session

*Why can't Hong Kong grow as fast as Shenzhen and Shanghai? Is it related to government capacity or the electoral system? Should we recruit mainland elites to become AOs? Now that all LegCo troublemakers are gone, will the situation improve by itself? What lessons can we learn from the success of major mainland cities?*

Let me try my best to address different aspects of the questions. When you see a city prospering, you may say that city will continue to prosper until it comes to a crisis or a turning point. In my general view, whatever problems Hong Kong has gone through, other cities, including cities in the Mainland, may at some points face because of capacity constraints or because of some new problems after a high-growth stage and a steady stage. So, there are always opportunities for cities to learn among themselves. I think Guangzhou, Shenzhen, Shanghai also learned from Hong Kong because Hong Kong was regarded as "so successful" up to the 1990s. Nobody could have imagined the kind of trouble that we have. It is not just a matter of personalities or individuals.

Hong Kong all along has been a very open society. We attract talents and experts from all over the world, including the Mainland. So, it is fine for us to recruit people from the Mainland into our public service. But that is not to say that we have to rely on the Mainland "salvation" as I described and that is not what the Central Government wants because of self-administration (港人治港). You've got to have your guts to solve problems. In my view, there is sufficient talent in Hong Kong. The question is whether we can make the best use of those talents.

The background of legislators will change because of the changes in the electoral system and the configuration of the LegCo. But I will not rule out politics entirely. In the last decade, we over-politicized issues. But politics is part of everyday life because we have different interests and pursuits. That is politics, and we cannot get away from politics. So, no matter what systems we try to design or install, they are aimed to deal with politics in a steadier manner conducive to harmony, mutual respect, or a non-zero-sum outcome. I think that is the politics we should seek after. All political systems around the world, in concept, are aimed at sorting out political issues. Of course, sometimes we find failures, even failures in democratic systems. So, my short answer is that we have come to a turning point. We do not know whether or not the future development may bring positive changes. But we should not underestimate the challenges, especially those that resulted in the crisis we faced two years ago.

*Up to 2018, there had been a large number of visitors from Mainland China coming to Hong Kong. It has formed a linkage and has also produced tensions between the two places. Talking about the future and integration of Hong Kong in the GBA with Mainland China, we have more investments and business activities in the Mainland and in the meantime, it is also affecting Hong Kong and the world. Can you comment on this bidirectional development in the future?*

If we look back at history, the so-called cut-off of Hong Kong from the Mainland was very short-lived, probably a couple of decades at most because of what happened on the Mainland politically. In one sense, Hong Kong has always been highly influenced by what happened in China, whether in good times or bad times. Before integration was championed as a policy statement, there was a lot of interflow of people, goods, and other forms of cooperation between Hong Kong and the Mainland. We can look at figures, for example, intermarriages between the young people of two sides (not the old type of intermarriages), education and of course, business. My argument is there has always been integration to some extent, including economic integration.

However, integration does not come without pain because of the capacity limitation of Hong Kong. If more people come to Hong Kong, local people may feel squeezed in shops, transport, so on and so forth. Thus, we have to deal with the integration very specifically. What are the problems? What are the issues? If we are not careful with those problems from integration, they may fuel what I described as the rising politics of identity. Why is identity a problem? Identity is an issue in all jurisdictions. But in the case of Hong Kong, there has been almost a perennial question ever since reunification because of the way Hong Kong returned to the motherland. Some fundamental issues were not addressed 30 years ago. We have to be clear about what has resulted in the kind of identity politics that we are facing.

So, my point is that it is not just because of 2019. There are a lot of factors before 2019. But that year was an implosion and suddenly Beijing realized there was a crisis in Hong Kong. If we are going to address the issue, I think integration must be the way forward. It has always been the path that Hong Kong is following. But from now on, we should not take integration as something imposed on us as a burden. We should not face integration reactively or passively. We have to adopt a more strategic view about integration, is it a platform to extend Hong Kong's strengths? Whether or not it is desirable depends on how we look at integration and take a strategic perspective.

*The satisfaction and confidence towards the Hong Kong SAR Government have been low since 2019, and it seems like they stay low and have not improved after the National Security Law was enacted. How would you predict the future? What could improve people's satisfaction and confidence towards the Hong Kong Government? Alternatively, maybe they do not matter because we see life still goes on in Hong Kong. So, what is your view?*

Yes, indeed, life goes on. However, there is a big difference between whether people embrace life positively, full of hope, and whether they just passively adapt to whatever is there with a laid-back attitude (躺平). That makes a difference. In Hong Kong's case, there were times that people became disappointed or they were not too sure about the future. We have gone through that. The question is whether we can pick up the pieces and recover from the setback. Having a setback is not a big thing if we look at history across countries and cities. That is why in my speech, I particularly mentioned the existential crisis of Shenzhen in 2003. We should not just lament the loss of an opportunity or the 2019 game changer. That had happened, and we cannot roll back the clock of history. How we move on is the most important thing.

Because of the crisis and setback, somehow goodwill is lost, and it takes time to rebuild mutual trust. We are right in the aftermath of the crisis. So, there are a lot of things that still disturb people. Bitterness has not disappeared. It needs time. It also needs sufficient goodwill on different sides to give Hong Kong another opportunity. Some people have given up hope. Some people have migrated for what they believed. That is why I said that there are two kinds of fatalism. Some said Hong Kong has no hope because the Hong Kong system stops working, and they must depend on Mainland's "salvation". On the other hand, some people are so negative about the Mainland. These are why they concluded that Hong Kong has no future.

But I do not subscribe to those two extreme forms of fatalism. Whether or not we can get out of such rather pessimistic and fatalistic sentiment depends on how we make the best of opportunity. I think the opportunity is still there. It depends on how we make the best of it. Of course, we could argue that if not for 2019, we may be better. We do not know. We can never tell because history does not work that way. But what I know is future history is to be defined by what the current generation will do.

*I agree with all the directions that you mentioned, but we have practical problems to solve. For example, on the Hong Kong report card, we are not doing particularly well in the Gini index. We are not doing quite well in our global mobility index. We are also not doing quite well in terms of global innovation. I think some deep-rooted problems have generated a lot of cynicism in the city and have increased the level of mistrust in the government. So, now, it is easy to point out the problem, but it is more challenging to find the solution. I wonder whether you have any thoughts on what we can do to reduce these deep-rooted problems in Hong Kong and rebuild public confidence in our government and our country.*

I think you are right. It is easy to point out problems, but it is another thing to deal with them sustainably. But it would be fair to say that right now in Hong Kong, we know what our problems are, including social distribution, housing problems, the wage gap, so on and so forth. To begin with, I think we have to get out of our previous complacent mentality. Complacency is not that we do not want to act, but complacency in the sense that we try not to deviate too much from the existing modus operandi because it was proved to be effective in the past, and we stick to the past.

Our institutions try to think that the 1997 settlement was about continuity and preserving the status quo. Therefore, ever since the reunification, I think many of us have been too reluctant to deviate too much from that perceived formula of success. So, now, we have come to a crisis. A crisis may be a good thing in the sense that it is time to rethink. But we need to have enough daringness. The worst enemy to innovation is the lack of creativity and daringness. That is why I believe instead of having this atmosphere of "let's not deviate too much because there will be risks", we should take risks. That also requires some political courage. The current environment, in my view, is not sufficiently conducive to stepping out of the comfort zone or safety zone because of all kinds of new factors coming in.

*To what extent do you think we now get trapped in a difficult situation? To take risks, we need to have confidence and feel secure, but at the same time, I think that we are now having a confidence crisis, so we do not feel confident in ourselves and the city, and we are facing all kinds of challenges from outside of the country. So, would this create a vicious circle as we do not feel secure enough, and therefore, we do not take risks and keep losing opportunities? Do you think that we are in such a situation, and if we are, how can we get out of it?*

We are probably in such a situation that we know we have problems, but we feel inhibited and restrained either cognitively or sometimes in terms of the real situation. To overcome that mental hurdle, I think we can revisit the past. In my view, over the last half-century, Hong Kong has never got a key answer about its future, but Hong Kong still presses ahead. We have dealt with problems. In the past, our predecessors knew that they were not in full control of the future, but they still made the best of opportunities. They were adaptive enough. They were pragmatic enough. They did not engage in dogmatic arguments. So, maybe that kind of spirit, the "can do" spirit, was what was responsible for Hong Kong's achievements to some extent in the past.

Right now, we do not know about the future. There is a suggestion that whatever you do now, you do not know what will happen in 2047 when "One Country Two Systems" may be changed. We cannot foretell the future time, but if we do not do anything now, then that future will not be that desirable from our perspective. If we act now, maybe the future story will be written differently.

There are many problems. Some problems are about whether we can share the pain. From my experience in the government as a policymaker, whatever policy change would involve a price. It is never a win-win situation. Some have to pay a higher price than others, and they have to bear more pain than others. If there is enough goodwill or solidarity, maybe there is more willingness to share the pain. If there is no such consensus or sense of togetherness, people are more reluctant to share it. Sharing the pain may be an unavoidable factor in solving some problems.

*My understanding is that many Hongkongers in school learned that Hong Kong would not change until 2047, and I do not know if the Mainlanders or the Central Government thought differently according to what they agreed to. In terms of political sustainability, I wonder whether there will be more changes until 2047 or in 2047. This is because we could see different policies can be implemented based on the National Security Law, like censorship, disbanding of associations, and arrests of*

*opposition protestors. We see Hong Kong becomes more and more like mainland China. What sort of policies do you think would be the most acceptable to Hongkongers in terms of sustainability without putting security checks at subway stations, giving up the Hong Kong dollar for the Renminbi, or getting behind the firewall? As a policymaker, what do you think would change gradually and proactively?*

I am not privy to what is in the mind of the Central Government leaders and policymakers. So, I will look at things in a very plain manner. I happen to take a rather different view about whether or not 2047 will be the end of “One Country, Two Systems”. I think “One Country, Two Systems” will continue provided that it is still working. “If things are working, why fix them?” That was the logic of colonial Hong Kong. So, if “One Country, Two Systems” is working, why change it?

Now we look at how the government disposes of land. Land sale has a lease term of 50 years which is beyond 2047. My point is if everything is working to the satisfaction of the major stakeholders, including the Central Government, they will see Hong Kong performing and providing good value. Why would they change the system?

But of course, “One Country, Two Systems” is a framework and the substance depends on the people, the juncture, and the circumstances. I remember that back in the 1980s when the idea of “One Country, Two Systems” was raised, people were not confident at all because you were talking about two opposing systems. The two systems at that time referred to the old definitions of capitalism and socialism. How could these two antagonistic systems coexist within one country? I remember at that time, Deng Xiaoping responded to some doubts and said the Mainland was changing because of modernization, hopefully the living standard will improve and narrow the gap which will in turn help support coexistence. So, it is not as though Hong Kong has to be more like the Mainland to sustain “One Country, Two Systems”. I think it is mutual. Maybe the Mainland will also be influenced by Hong Kong.

That is, I think, what is behind the idea of the Greater Bay Area. If we look at the document, originally, Hong Kong is expected to play a very important role to help uplift the Greater Bay Area together with Shenzhen, Guangzhou, and other cities. Let me share with you a story about Qianhai in Shenzhen. Some years ago when I was still in the government, the mayor of Shenzhen told us that they want Hong Kong people to take a more active part in Qianhai which is designed to be closer to Hong Kong. One of the examples he quoted was the road signs. They are all

designed in the Hong Kong style, using traditional Chinese characters, not simplified Chinese. So, I do not think we should look at Hong Kong and the Mainland in any zero-sum or mutually exclusive manner.

2019 was a game changer. It had happened, and we cannot turn the clock back. But we can always make things different in the future. If you look at Hong Kong's past, Hong Kong did not prosper because our professionals and businessmen, whoever were responsible for Hong Kong's success, just stayed in Hong Kong. They had always been running around the world, not only the Pearl River Delta region. Now, we have talked about the GBA. We should not confine ourselves to just the GBA. Our eyes and horizon should be widened. But the GBA is readily next to us, and it can provide a good platform for us. So, if we can take a more positive outlook, the GBA could be entirely a different venture.

Unfortunately, up to now, I have noticed that the discourse and narrative within Hong Kong about the GBA is that the GBA is something outside Hong Kong. That is why I emphasized that Hong Kong is a part of the GBA and Hong Kong is a very important part of the GBA. The GBA is not a dumping ground for Hong Kong's problems. It would provide a platform for us. Whether or not we can make good use of that platform depends on our mindset - how we relate ourselves to the GBA.

## 鳴謝

香港中文大學蒙

李達三博士慷慨捐助成立李達三博士滬港發展講座

謹此致謝

### 滬港發展聯合研究所

地址：香港沙田香港中文大學王福元樓604D室

電話：852-39439776 傳真：852-26035215

電郵：shkdi@cuhk.edu.hk 網址：<http://shkdi.cuhk.edu.hk>