

Research Report

Hong Kong's Stunted Political Party System*

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ABSTRACT Hong Kong's political parties are now in decline after the return of the former British colony to China. The decline of political parties stands out in stark relief in a context featuring "Hong Kong people governing Hong Kong" and gradual democratization. A major reason for the decline is the stunted political party system of Hong Kong. Prominent in that stunted system is the absence of a ruling party. The stunted party system is primarily the result of Beijing's antipathy towards party politics in Hong Kong, which in turn discourages party formation by the Hong Kong government and the conservative elites. The lack of incentives for the business elites to organize political parties to protect their interests is another major reason. The stunted party system has produced serious adverse consequences for the governance of Hong Kong, representation of interests, public attitudes towards the political class and the further democratization of the territory.

Hong Kong's political parties arose in the late 1980s in response to the political fears generated by Hong Kong's uncertain political future and the gradual installation of representative government by the departing colonial regime.¹ Inasmuch as political parties are the most important channel for the representation of popular interests under Hong Kong's executive-led political system, it was expected that political parties would continue to thrive and prosper after 1997. This expectation was based on lingering popular apprehension about Hong Kong's political future, public mistrust of Beijing and the phased increase in the proportion of directly elected seats in the Legislative Council (LegCo).

However, the expectation has not been fulfilled. Instead, four years after Hong Kong became a special administrative region (SAR) of China, its political parties have found their social support base significantly eroded. There is no hard evidence to specify when erosion began. Nevertheless, public support for the political parties apparently started to decline discernibly a year or so after the onset of financial crisis in Hong Kong in late 1997. By that time Hongkongers had come to the gloomy conclusion that the decades-long economic prosperity of the territory had come to an abrupt end. The role of political parties in Hong Kong's political life has conspicuously shrunk. What is worse is that the major

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1. Lau Siu-kai and Kuan Hsin-chi, "Partial democratization, 'foundation moment' and political parties in Hong Kong," *The China Quarterly*, No. 163 (September 2000), pp. 705–720.

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political parties are still in the painful process of redefining their mission which has in turn given rise to a lot of internal dissension. A tortuous and uncertain process of party realignment is currently going on in Hong Kong.

The second LegCo elections held in September 2000 testify to the disarray of Hong Kong's political parties. Among the 60 seats in the LegCo, 24 were elected directly, four more than in 1998. Compared with the voting turnout in the direct LegCo elections held in 1998 (53.3 per cent), the voting turnout in 2000 is significantly lower (35.8 per cent). The second direct LegCo elections held after Hong Kong's return to China have not contributed to further consolidation and development of political parties. On the contrary, they witness a situation of political parties in disarray. The drop in voting turnout reflects growing public disenchantment with political parties as mechanisms for the articulation, representation and aggregation of interests. It also shows a widening gap between political parties and Hongkongers as well as a weakening of the social base of party support. Embedded in the falling voting turnout is middle-class disillusion with politics in general and party politics in particular. The results of the 2000 LegCo elections have exacerbated the sense of crisis among political parties, especially the Democratic Party (DP), the most popular party in Hong Kong. They also accelerate the efforts of political parties to reposition and reorganize themselves in an increasingly turbulent and uncertain political, social and economic landscape. All the same, the conditions for party development in the foreseeable future are not encouraging. Hong Kong will continue to suffer from the consequences of a weak, non-institutionalized, stunted and volatile political party system.

The following discussion elaborates upon the factors which have together created a political landscape which seriously hampers the development of popular parties in Hong Kong. A large-scale questionnaire survey conducted in Hong Kong immediately after the 2000 LegCo elections provides the data on public perception of politics and political parties that are essential to understand the plight of the parties.² Unless otherwise specified, the data reported in the paper refer to the data collected in that survey.

Decline of Political Parties

If the state of political parties in Hong Kong is measured by the proportion of votes obtained by party candidates in the direct LegCo

2. The sample used in the questionnaire survey was drawn by means of a multi-stage design. The target population of the survey is the Chinese inhabitants in Hong Kong aged 18 or over. The list of permanent and residential areas prepared and kept by the Census and Statistics Department's computerized Sub-Frame of Living Quarters was used as the sampling frame. With the assistance of the Department, a replicated systematic random sample of 4,345 addresses was selected from the sampling frame. The next stage of sampling involved the selection of households and eligible respondents by the interviewers. Face-to-face interviews with structured questionnaires were carried out by interviewers. Fieldwork was conducted mostly from late September to December 2000. At the end of the survey, 1,883 interviews were successfully completed, yielding a response rate of 43.3 percent.

elections and the percentage of LegCo members with party affiliations, then obviously political parties are on the rise. These measures are however partial. The abrupt drop in voting turnout in the direct LegCo elections in recent years is a sign that Hong Kong's political parties are in trouble. This is particularly so for the DP, which finds its vote share in the direct elections dropping from 52.3 per cent in 1991 to 34.7 per cent in 2000. Furthermore, voter support for the political parties is volatile. Though voters rarely change their party allegiance, they may stop supporting a particular party. The sudden drop in vote share by the DP in the 2000 LegCo election, for example, is the result of a large-scale abstention of voters who voted for it in 1998. This shows that political parties in Hong Kong have only fragile social support bases and that they are still in the incipient stage of development.

Other evidence indicates that public support for political parties since 1997 has been falling continuously. Compared with the pre-1997 days, Hongkongers after 1997 are more appreciative of the role political parties can play in Hong Kong's partial democratic system where the government is not elected by the people and only a minority of the legislators are directly elected. Findings from a questionnaire survey conducted by us in 1998 show that Hongkongers are divided on whether democracy is impossible without political parties. They are also split with regard to the need for parties if Hong Kong's political system is to function properly.³ Increasingly Hongkongers have accepted political parties as indispensable institutions for representing the interests of the common people in a political system where elite interests prevail. Previously suspicious and mistrustful dispositions towards political parties have little-by-little given way to an attitude of ambivalent endorsement.⁴

Nevertheless, growing public acceptance of parties as political institutions is not translated into rising popular support for the *actual* parties. On the contrary, political parties have become less politically relevant to Hongkongers today. Our survey in 2000 shows that 18.6 per cent of the respondents reported that they identified with a political party, representing a drop of 3.1 percent since the last LegCo election in 1998 (21.7 per cent in our 1998 survey). Compared with respondents without party identification, those who identified with political parties had greater democratic aspirations, a more liberal political outlook and a stronger need for political participation. Given the fact that the number of political "progressives" in Hong Kong has grown only slowly, it can thus be argued that more and more of these people have decided that political parties are not the most suitable vehicles for the satisfaction of their political needs. The reduction of support of the politically active to the parties does not portend well for their growth.

3. The sampling method used in the 1998 survey is the same as that used in 2000. Fieldwork was conducted mostly during 25 May and 26 June 1998. At the end of the survey, 988 cases were successfully completed, yielding a response rate of 46.5 per cent.

4. Lau Siu-kai, "Public attitude towards political parties," in Lau Siu-kai (ed.), *Social Development and Political Change in Hong Kong* (Hong Kong: Chinese University Press, 2000), pp. 417–444.

Growing public disengagement from political parties does not affect the major parties in the same way. Among the three major parties, the pro-democracy and middle-class-oriented Democratic Party (*minzhudang*) has felt the pinch most strongly. Whilst 17.6 per cent of the respondents identified with it in 1998, the figure dropped to 10.8 per cent in 2000. The pro-business Liberal Party (LP) (*ziyoudang*) has had a similar experience, the corresponding figures being 1 per cent and 0.5 per cent. In contrast, the pro-Beijing and grassroots-oriented Democratic Alliance for Betterment of Hong Kong (DAB) (*minzhu jianGang lianmeng*) gained a substantial increase in identifiers during the period, with 2.2 per cent identifying with it in 1998 and 5.4 per cent in 2000. However, in view of its pro-Beijing stance, in all likelihood the DAB would not be able to enlarge the ranks of its identifiers substantially and replace the DP as the most popular political party in the future.

Public disenchantment with political parties can also be seen in the findings of a telephone poll conducted by the Lingnan University of Hong Kong in September 2001. Respondents were asked to express their confidence in five political institutions. A majority of them had confidence in the judiciary (68.7 per cent). Less than half of them had confidence in the civil service (46.5 per cent), the government (44.8 per cent) and the Legislative Council (46.7 per cent). And less than a third of them (28.4 per cent) had confidence in the political parties. Among the political parties, the pro-grassroots Association for Democracy and People's Livelihood (ADPL) (*minzhu minsheng xiejin hui*) had the highest score of 5.34 out of a maximum of 10. The LP and the pro-Beijing and pro-business Hong Kong Progressive Alliance (HKPA) (*Xianggang xiejin lianmeng*) were the only political parties that failed the test with scores of 4.82 and 4.44 respectively. Lying in between were, in descending order of the score obtained, the DP, the DAB, and the Frontier (*qianxian*) (a small political group even more strident in its democratic demands than the DP).⁵

Another telephone poll, this one conducted by the Hong Kong Transition Project team based at the Hong Kong Baptist University in July 2001, found that more respondents were dissatisfied (58 per cent) than satisfied with the DP, the DAB (52 per cent), the LP (54 per cent) and the HKPA (63 per cent). On the other hand, political groups championing grassroots and labour interests – the pro-democracy Hong Kong Confederation of Trade Unions (CTU) (*Xianggang zhigonghui lianmeng*) and the pro-Beijing Hong Kong Federation of Trade Unions (FTU) (*Xianggang gonghui lianhehui*) – had more people satisfied than dissatisfied with them. Similarly, there were slightly more respondents satisfied (51 per cent) than dissatisfied with the Frontier.⁶

Public participation in the activities organized by political parties is minimal. Our survey shows that only negligible percentages of the respondents took part in the electoral campaigns of the parties during the

5. *Hong Kong Economic Journal*, 25 September 2001, p. 11.

6. The Hong Kong Transition Project, *The Democrats and Discontent* (Hong Kong: Hong Kong Baptist University, September 2001), p. 12.

2000 LegCo elections or donated money to the candidates of political parties.

Over the past decade, Hong Kong's political parties had grown only very slowly. Parties find it very difficult to recruit new members. Memberships range from a few hundred to less than two thousand. The parties are by and large cadre parties where decision-making power is concentrated at the top. Party leadership is still in the hands of the party founders, and new and young recruits face great hurdles in gaining leadership positions. Consequently, all political parties are faced with the nagging problem of the ageing of their leaders, most of whom made their political *début* during the heady days of Sino-British negotiation over Hong Kong's political future when the colony was immersed in deep political fear and anxiety. Except for the DAB, which enjoys a sound (but still small) financial base because of the donations from business firms with Beijing connections, all political parties suffer from varying degrees of financial difficulties. Even the pro-business LP has trouble getting political donations from the business community. The dearth of popular support for political parties is clearly reflected in the failure of even the DP to raise money from the general public.

The attention given to the political parties by the mass media has apparently dropped over the years. The media exposure of party leaders such as Martin Lee Chu-ming of the DP, Jasper Tsang Yok-sing (Zeng Yucheng) of the DAB, James Tien Pei-chun of the LP, Emily Lau Wai-hing of the Frontier and Frederick Fung Kin-kee of the ADPL is not as impressive as before. Mass coverage of party activities is to a considerable extent confined to those taking place in the LegCo, and even LegCo news is receiving less and less attention.

The decline of political parties in Hong Kong is also a result of the fact that since 1997 the parties have found themselves embroiled in ideological conflicts, personal rivalries and political disorientation. These problems are particularly visible and difficult to manage in the DP. Accordingly, political parties have found their appeal to the public diminishing because of the weakening of their role in the articulation and aggregation of interests. The social support base of the major political parties has accordingly become less stable. The political linkage between parties and their constituents is further undermined. The role of political parties in mediating between the government and the people is increasingly unimportant.

All in all, more than a decade of gradual democratization and four years after Hong Kong's return to China, the partial opening up of the political system has brought into being a mass political arena where popular electoral politics looms large, though the bulk of political power is still confined to the elite political arena dominated by Beijing, the career bureaucrats, conservative politicians and the business elites.⁷ The

7. Lau Siu-kai, "Political order and democratisation in Hong Kong: the separation of elite and mass politics," in Wang Gungwu and Wong Siu-lun (eds.), *Towards a New Millennium: Building on Hong Kong's Strengths* (Hong Kong: Centre of Asian Studies, The University of Hong Kong, 1999), pp. 62–79.

availability of the mass political arena has however not led to the institutionalization of a political party system. "An institutionalized party system implies stability in interparty competition, the existence of parties that have somewhat stable roots in society, acceptance of parties and elections as the legitimate institutions that determine who governs, and party organizations with reasonably stable rules and structures."⁸ Instead, Hong Kong's political party system is still in a state of volatility, disarray and inchoateness. At least in the foreseeable future, we can expect only a debilitated party system in Hong Kong and the negative political consequences it engenders.

Beijing's Antipathy Towards Political Parties

Arguably the predominant factor inhibiting the development of political parties in Hong Kong is Beijing's determination to restrict the political space available to them. All along Beijing sees political parties as a potential threat. In its calculation, political parties will become the vehicles for the mobilization of the anti-communist passions of Hongkongers. Popular parties will foment economic and political populism that is detrimental to the maintenance of Hong Kong's free-wheeling capitalist status quo and its market-driven, highly unequal socio-economic order. Highest on the mind of Beijing's leaders is the concern that party leaders, in their ferocious search for public support, will not only not give prominence to Beijing's interests in Hong Kong, but will also produce tension and confrontation between Beijing and Hong Kong. Whilst a popular political arena stemming primarily from the introduction of direct legislative elections is unavoidable in view of its promise of "Hong Kong people governing Hong Kong," Beijing still applies strenuous efforts to restrict the growth of popular parties that are seen to be hostile to the communist regime. In fact, an integral part of Beijing's policy towards Hong Kong is the confinement of popular politics in post-handover Hong Kong to a small and "safe" political arena.

To ensure that popular parties have only a limited role to play in Hong Kong politics, the political system designed by Beijing for post-1997 Hong Kong makes it impossible for popular parties to obtain the power to control the government. The government of the Hong Kong SAR is not democratically elected. The Chief Executive and his principal officials are not allowed to have political party affiliation. Legislators are not allowed to serve as government officials without giving up their jobs in the LegCo. Consequently, political parties can only thrive in a legislature that has limited policy-making powers and is granted only minimal legislative initiative. Popular parties are also constrained by the fact that only a

8. Scott Mainwaring and Timothy R. Scully, "Introduction: party systems in Latin America," in Mainwaring and Scully (eds.), *Building Democratic Institutions: Party Systems in Latin America* (Stanford: Stanford University Press, 1995), p. 1.

minority of the legislative seats are popularly elected in the early years of the Hong Kong SAR.⁹

Furthermore, political parties are not given a statutory status or special privileges. In order to prevent foreign assistance to Hong Kong's political parties, local parties are prohibited under Article 23 of the Basic Law – the mini-constitution of post-1997 Hong Kong – from establishing ties with foreign political organizations or bodies. Public funding for political parties, though a common phenomenon elsewhere, is not available in Hong Kong. For one reason or another, even the Chinese Communist Party is not allowed to operate openly in Hong Kong, though the Hong Kong branch of the party is definitely at work behind the scenes.

Nevertheless, inasmuch as popular legislative elections are bound to give birth to mass-based political parties which are hostile to Beijing, Beijing has since the early 1990s fostered the formation of pro-Beijing political parties in Hong Kong, among which are the DAB and the HKPA. So far only the DAB has managed to get a portion of mass support, the bulk coming from Hongkongers with pro-Beijing sympathies. Still, in view of the need of pro-Beijing parties to compete for popular support with parties distrusted by Beijing (particularly the DP), Beijing has reluctantly to allow the DAB to adopt political positions which can sometimes be at odds with both Beijing and the Hong Kong government, so long as no fundamental Beijing interests are at stake. In general, these parties have to support dutifully both Beijing and the Hong Kong government whose Chief Executive, Tung Chee-hwa, is accountable to Beijing apart from being responsible to the Hong Kong SAR. And Beijing has to make sure that the leadership of the pro-Beijing parties is politically acceptable. Inevitably, the Beijing factor is a constraining factor in the development and functioning of pro-Beijing parties in attracting both the elites and the ordinary citizens into the party.

Beijing's attitude towards the other political parties is characterized by exclusion or aloofness. The DP and the Frontier are singled out for hostile treatment. Their leaders are barred from entry into the mainland to prevent them from tampering with mainland politics and challenging the communist authorities. By declaring them its enemies, Beijing also wishes to weaken their mass base by scaring away would-be supporters and by persuading Hongkongers that these parties would not be able to help them with their interests on the mainland.

The impediments posed by Beijing to party development in Hong Kong are by themselves powerful enough, yet they are further strengthened by the impact of Beijing's position on the Hong Kong government and the business elites of the territory.

9. Lau Siu-kai, "The making of the electoral system," in Kuan Hsin-chi, Lau Siu-kai, Louie Kin-sheun and Timothy Ka-ying Wong (eds.), *Power Transfer and Electoral Politics: The First Legislative Election in the Hong Kong Special Administrative Region* (Hong Kong: The Chinese University Press, 1999), pp. 3–35.

Hong Kong Government's Negative Reaction to Political Parties

The Hong Kong government under Tung Chee-hwa adopts a consistent anti-party line. As a political unknown before 1997, shipping tycoon Tung owes his ascent to power principally to Beijing, who is looking for someone who is politically loyal, reliable and, most importantly, dependent. One of the major merits Tung brings to his job is his lack of political affiliation in general and party affiliation in particular. As a person steeped in political conservatism and Confucian collectivism, Tung possesses strong anti-party instincts, seeing political parties as something deleterious to social solidarity and political harmony. At the same time, he wants to project himself as a leader who is above parties and a representative of all the people of Hong Kong.

A major manifestation of Tung's anti-party posture is his categorical rejection of forming his own political party to buttress his increasingly difficult governance. He doggedly continues to depend on the civil service inherited from the British colonial regime to sustain his rule, despite the chasm between him and the elite mandarins in terms of ideology, political style and policy orientations.¹⁰ Generally speaking, the chief executive in a presidential system faced with a legislature with the power to scuttle his initiatives needs to nurture an organized base of political support in order to govern effectively. Presumably Tung, though entering into his office as a political newcomer and loner, can quickly build up his own governing coalition and social support base by skilfully exploiting the enormous powers to allocate public resources and make political appointments that are available to the Chief Executive of the Hong Kong SAR. Nevertheless, despite facing increasing difficulties in gaining support both in the LegCo and in society, Tung has so far balked at political party- or coalition-building. Senior civil servants, whose relationship with Tung is uneasy, are instead increasingly required to take up political assignments.

Tung's reluctance to build a governing party or coalition is easy to understand. Beijing's anti-party bias is bound to influence his attitude. Tung must also realize that any spontaneous attempt at political organization on his part will arouse Beijing's suspicions. Beijing will be likely to look askance at a Chief Executive who seems intent on nurturing his own political base. Moreover, in view of the fact that the Chief Executive is not popularly elected, Tung depends heavily on Beijing for political support. Tung is not likely to do something that will jeopardize his relationship with his political patron.

The electoral system for the LegCo in the early years of the Hong Kong SAR is designed in such a way that a majority of the legislators are Tung's sympathizers, though the pursuit of their own political agenda

10. Lau Siu-kai, "From elite unity to disunity: political elite in post-1997 Hong Kong," in Wang Gungwu and John Wong (eds.), *Hong Kong in China: The Challenges of Transition* (Singapore: Times Academic Press, 1999), pp. 47–74.

does not allow them to be consistent supporters of the government. As a result, though the relationship between the executive and the legislature is increasingly strained, the government can still get most of its bills passed by the LegCo, occasionally against vociferous protest by the political opposition and the general public. The need to organize an organized support base is hence not yet compelling. Moreover, the conservative economic and political agenda pursued by Tung will render any attempt to build a broad political coalition difficult.

Tung's anti-party bias is evident in the way he handles the LegCo and the political parties there. The electoral system of the legislature has produced a fragmented body where no political party can control a majority of the seats. Legislators representing functional groups form the majority and cater mainly to narrow interests. Inasmuch as the LP in the LegCo is made up primarily of legislators voted into office by the functional constituencies, the party has a hard time maintaining a semblance of party solidarity, let alone pursuing consistent and united actions. The other two major parties, the DP and the DAB, being popular parties, enjoy a higher degree of party cohesion. However, they both are minority parties and their differences severely impede co-operation between them.

In the LegCo, Tung depends on support from the DAB, the LP and many of the functionally elected legislators. Though these people do not form a solid voting bloc in favour of the government because of diversity of interests, they still constitute a loose and fairly reliable pro-government coalition to allow most of the government bills to pass the legislature. The DAB supports Tung largely out of political loyalty to Beijing. Its close relationship with Tung also enables it to reward its supporters with symbolic and material benefits from the government. The pro-business nature of the LP also makes it a natural ally of the pro-business SAR government. Nevertheless, since the DAB has to compete with the DP for popular support and the LP aspires to develop into a mass-based conservative party, they cannot be described as Tung's stalwart allies, particularly when the SAR government's policies adversely affect the interests of the common people. On the other hand, Tung's treatment of even the pro-government parties is primarily calculative and exploitative. They are rarely involved in the policy-making process but are expected to defend government policies, however unpopular they are. There is thus a lot of grievance and discontent within the DAB and the LP, which occasionally is even vented openly. Incessant calls for power sharing are made by the DAB and the LP, particularly the latter, but they are not taken seriously by Tung. As far as he is concerned, the DAB with its mild populist inclination is still a more reliable political ally than the "power-hungry" and erratic LP.¹¹

11. Election Committee by-election held on 16 September 2001. It was a neck-and-neck race. Tung's preference towards the DAB over the LP can be seen in the results between two candidates – a LP candidate and an independent candidate supported by the DAB. Intensive behind-the-scenes lobbying by Tung's supporters was a widely acknowledged reason for the defeat of the LP candidate by a substantial margin.

Seeing the DP, the Frontier, the ADPL and other pro-democracy, pro-labour, anti-Beijing legislators as his implacable political opponents, Tung adopts a stonewalling strategy towards them. Compromises with the opposition are inconceivable unless absolutely necessary. The relationship between Tung and the political opposition is tense. Contact between them is minimal. Tung is especially meticulous in making sure that the opposition cannot claim political credit for wringing concessions out of his government.

Even when Tung's supporters and opponents in the legislature manage to join forces on some occasions to press popular demands, the government can sometimes apply the tactics of "divide-and-rule" and prevent the emergence of a durable, hostile majority force in the LegCo. Though operating under tremendous difficulties, particularly because of its unpopularity and some of its major policies, the government has basically succeeded in achieving the goal. The dissatisfaction of the DAB, the LP and some independent pro-government legislators is kept within bounds by issuing them additional dosages of patronage if necessary. With regard to the DAB, help from Beijing is also occasionally enlisted by the Tung administration or even volunteered by Beijing to whip the party into siding with the government on critical and highly unpopular issues. Not surprisingly the DAB has on more than one occasion paid a hefty political price for supporting the government.

Tung's failure to form his own political party and his abhorrence of party politics have significantly distorted the development of Hong Kong's party system. A system where the governing party is non-existent is *ipso facto* stunted and debilitated. Political parties in such a system have willy-nilly to play the role of the political opposition. And so has the legislature, which is the principal political arena for the parties. Political parties which are denied the chance to grasp governing power through electoral means encounter insurmountable difficulties in recruiting members, developing linkages with social, economic and professional organizations, cultivating a popular base, procuring political donations and other resources, capturing the attention of the mass media, and gaining public credibility for their platforms and policy suggestions. The marginalization of the parties by the Tung administration moreover diminishes the role of the parties as articulators and aggregators of interests as well as intermediaries between the government and the people of Hong Kong. In such a system, the representative role of political parties becomes only partial as the interests of the elites are by and large under-represented by parties geared principally to grassroots interests.

The non-existence of a ruling or governmental party also prevents elite interests and the pro-government forces from organization and aggregation. Elite concerns and interests remain fragmented. Pro-government groups and personalities have no organizational means to reconcile their differences and engage in concerted actions. Most important, since the government is still dominated by career civil servants, pro-government elites have no way to build a political career through political appointments to decision-making positions in the Tung administration. Hong

Kong's partial democracy provides the opportunity for the rise of the political opposition and brings about the early dominance of the popular electoral arena by anti-Beijing and grassroots-oriented political figures. All along, conservative interests and pro-Beijing forces have been well protected by Beijing, London (before the handover) or the Hong Kong administration and hence have no incentive or need to participate in popular politics. Nevertheless, according to the Basic Law, Hong Kong has to move in a democratic direction, and the currently protected groups have increasingly to fight for their interests in an open electoral arena. They therefore need to capitalize on the limited time available to position themselves for the eventual showdown with the political opposition in a more democratic system. Tung's refusal to promote the rise of a ruling party through the mobilization and organization of pro-Beijing and conservative forces will complicate subsequent efforts at party-building by the conservative elites.

Conservative Aversion to Party Formation

On the surface, Hong Kong as a freewheeling capitalist society infused with capitalist values should provide fertile soil for the growth of prosperous and powerful conservative political parties espousing pro-business and anti-welfare dogmas.¹² The reality is however otherwise. The LP, which claims to be a pro-business and conservative party, has never been recognized as such by the business elites who instead look for other channels to represent their interests. In fact, it is the absence of significant conservative political parties and the pervasive and growing apprehension about their political future on the part of the business elites that mark Hong Kong out from other capitalist societies.

Understandably, the anti-party bias of Beijing and Tung Chee-hwa have heavily shaped the attitude of Hong Kong's conservative forces towards the organization of political parties to represent and advance their interests. This however is only part of the explanation for the weakness of conservative parties in Hong Kong. Beijing is not totally against the emergence of elitist parties since it also realizes the need for the elites to protect their interests as a result of the rise of popular parties. In fact, before 1997, Beijing, through its representatives in Hong Kong, had actively encouraged the business elites to organize themselves politically for their own sake. Yet, to Beijing's dismay, Hong Kong's business elites have been reluctant to do so. Instead, they threaten Beijing with capital flight if Beijing refuses to look after their interests by slowing down democratization and suppressing populism in Hong Kong.

Arguably, the business elites' social and political ascendancy does not depend on the presence of a conservative political party as long as they

12. Lau Siu-kai and Kuan Hsin-chi, *The Ethos of the Hong Kong Chinese* (Hong Kong: The Chinese University Press, 1988); and Lau Siu-kai, "Confidence in Hong Kong's capitalist society in the aftermath of the Asian financial turmoil," *Journal of Contemporary China* (forthcoming).

exercise hegemony in the civil society. Their situation in Hong Kong is however different. In the first place, though both the business elites and the masses subscribe to the basic tenets of capitalism, there are still significant differences between them. Whilst the business elites insist upon *laissez-faire* as the guiding principle of the government, the common people have no serious qualms about governmental intervention especially when social well-being is at stake. The ordinary people would like the government to adopt mild redistributive measures to narrow the gap between the rich and the poor. Such a demand is vociferously opposed by the business elites, whose approach towards income distribution and the role of the state therein is ultra-conservative. Evidently, the moderate democratic aspirations of a majority of Hongkongers contrast starkly with the anti-democratic obsessions of the business elites. The ordinary people are also annoyed by the sycophantic demeanour of the higher classes towards political authorities, their sybaritic tastes and lifestyle, and their arrogance towards the common folk. Moreover, embedded in Hongkonger's capitalist ethos is visible disrespect for the rich and discernible fear of rule by the wealthy. These feelings reflect the persisting influence of Confucianism that holds merchants in low social regard. Business people have in fact grown stronger with the widening rich-poor gap over the past three decades. Since the late 1960s, Hong Kong's Chinese business elites were given the freedom to make money in a fairly level playing field by the colonial rulers. They were denied the power to make or unmake governments, though many prominent businessmen and community notables served as advisors to the colonial regime. In fact, the colonial regime stood in between the business elites and the ordinary people, reconciling the interests between them, though obviously favouring the former.

Even though Hong Kong's business elites abhor communism, they came to terms with Beijing as soon as they recognized the inevitability of Hong Kong's return to China.¹³ For the sake of maintaining investors' confidence in post-colonial Hong Kong, Beijing has provided strong political guarantees for their interests. They are given the right to elect the Chief Executive of the Hong Kong SAR though the ultimate decision to appoint him rests with Beijing. They are also allowed to dominate the LegCo as a majority of the legislators are elected by the business elites themselves. The number of business people given executive or advisory positions in the post-1997 government has rocketed. Compared with colonial times, the business elites have seen their political clout substantially enhanced. Consequently, they abstain from party-building efforts as they are given direct access to state power.

An outstanding impediment to the formation of conservative parties in Hong Kong is the refusal of the business elites to make concessions to the democratic and redistributive demands of the masses. Since Hong Kong's business elites feel politically secure, at least for the moment, they are in

13. Alvin Y. So, *Hong Kong's Embattled Democracy: A Societal Analysis* (Baltimore: The Johns Hopkins University Press, 1999).

no mood to accede to mass demands. At the same time, they have immense difficulty purging the issue of economic inequality out of the public agenda or building a multi-class coalition under their leadership by manipulating symbols or issues. Their intransigent and uncompromising position is an insuperable obstacle for the LP in its sporadic attempt to mount campaigns to mobilize mass support. Being unable to satisfy the material needs of the popular sector, the LP has performed miserably in all the direct LegCo elections held so far. Whenever the LP takes a rare step to appease the masses, it draws the ire of both the business elites and the Tung administration. The result: the LP remains a party entrenched solely in the functional constituencies and is politically irrelevant in popular politics. Ironically, the LP's inability to "root" itself in society is in turn used by the business elites as the reason for their abstention from party-building and their continued need for political protection by Beijing and the Hong Kong government.

The fragmentation and divisiveness within the economic elites is another impediment to party building. Our conversations with business leaders leave us with the impression that the business elites face insurmountable obstacles in organizing themselves even into business associations, let alone political parties. Hong Kong's business community is divided by political differences, complexity of capital structure, diversity of interests, intense competition, differential and unequal access to the state, deep mutual mistrust and personal rivalries. The defensive and individualistic style of political action of the business elites makes collective action difficult to organize.

Being simultaneously pampered politically and fearful of mass politics, no wonder the business elites have failed to form their own parties. They have also failed to "invest" politically in other parties or engage in other forms of political investments such as establishing pro-business think-tanks, promoting sympathetic opinion leaders, strengthening the political role of the business associations or launching pro-business ideological appeals. Instead, they depend solely on the power-holders in Beijing and in Hong Kong to take care of their interests, threatening to disinvest if the requested protection is not forthcoming. Concomitantly, they are hostile to the existent parties and are determined to roll back the influence of party politics in Hong Kong.

Social Fragmentation, Socio-economic Consensus and Political Divergence

The absence of governmental parties or pro-business parties in Hong Kong should presumably allow the popular parties to prosper by being the representatives of the public. The decline of these parties suggests that this is not the case. The hostility of the political authorities and the business elites to party politics means that parties are denied the public and economic resources that are sorely needed for party building. The inability of popular parties to deliver concrete benefits to their constituents in the forms of public policies or individualized goods seriously

weakens their efforts to mobilize the masses. A major reason for public disillusionment with popular elections is the fragile connection between the vote for the parties and improvement in their material well-being as perceived by the public.

The most important obstacle to the development of popular parties in Hong Kong is the amorphousness and fragmentation of Hong Kong society. One of us has characterized Hong Kong society as an atomistic society populated by narrow familial interests.¹⁴ In the three decades before 1997, a sense of collective identity gradually emerged. The onset of the 1997 problem in the early 1980s, de-industrialization and growing economic inequalities since the late 1970s have however greatly loosened the social fabric.¹⁵ Social cohesion suffered another serious blow as a result of the Asian financial turmoil and the ensuing economic downturn. Since 1998, Hong Kong has witnessed a drastic increase in the amount of social conflicts that are largely material in nature and fragmented in character.

As a fragmented and amorphous society permeated by a multitude of narrow interests, Hong Kong is devoid of strong and broad group identities that provide the basis for large-scale social organizations. Social participation is comparatively low, and is based largely upon parochial interests. There are large numbers of civic groups, advocacy groups and voluntary associations in Hong Kong, but none of them has a large membership or exercises influential social leadership. Class-based organizations such as trade unions are weak and fractionalized. In a society of low religiosity and suffused with polytheistic beliefs, religious groups are diverse and not powerful. Social cleavages such as region, language and ethnicity that can be relied upon to build large-scale social groups are practically non-existent.¹⁶ Without solid social bases to establish themselves, Hong Kong's political parties remain shallow and weak institutions.

The persistence of a fairly strong and widespread consensus on socio-economic issues in Hong Kong makes it difficult for political parties to differentiate among themselves and between themselves and the government in terms of their socio-economic agenda. Political parties by and large support the maintenance of the capitalist status quo, though they differ in the degree and extent of tinkering with the socio-economic system needed. None of them advocates economic populism or a welfare state. As a result, Hongkongers have difficulty seeing the differences among parties on the basis of their social and economic proposals, though the pro-labour political groups are more visible because of their advocacy of labour rights. The data from our 2000 survey clearly show that the respondents did not base their support of political parties on their

14. Lau Siu-kai, *Society and Politics in Hong Kong* (Hong Kong: The Chinese University Press, 1982).

15. Lau Siu-kai "The fraying of the socioeconomic fabric of Hong Kong," *The Pacific Review*, Vol. 10, No. 3 (1997), pp. 426–441.

16. Kuan Hsin-chi and Lau Siu-kai, "Intermediation environment and election in Hong Kong," *Democratization*, Vol. 7, No. 2 (Summer 2000), pp. 65–89.

positions on socio-economic issues. The limited research capability at the disposal of the parties does not enable them to compete with the government in socio-economic agenda setting. As a result, parties primarily react to the policy initiatives from the Tung administration rather than proactively advocating alternative public policy agenda of their own. The increasing emphasis on socio-economic issues by Hongkongers and their disappointment with the performance of the government should provide the desperately needed opportunities for political parties to assert themselves. The inability of the parties to rise to the challenge has inevitably fuelled further public disenchantment with them.

Furthermore, the “foundation moment” of the major parties of Hong Kong is such that they primarily position themselves on the political cleavages: “pace of democratization,” “trust or not trust Beijing,” “trust or not trust the Hong Kong SAR government.”¹⁷ Therefore, to the extent that there are any social bases to Hong Kong’s parties, the cleavages are to be found in political ideologies rather than in the amorphous and fragmented social structure. Our 2000 survey has found that the supporters of the DP are more desirous of democratic elections, less trusting of Beijing and Tung Chee-hwa, less satisfied with the performance of the government, seeing democracy as the best political system available and feeling a greater need for democratic reform as a means to handle the fallout from the economic downturn. The supporters of the Frontier have a similar political outlook, but their democratic aspirations and political discontent are apparently even stronger. On the other hand, the respondents who vote for the DAB are more politically conservative, more trusting of Beijing and Tung, more pleased with the work of the government and less appreciative of the utility of democratic reform in coping with Hong Kong’s problems. Unlike the supporters of other parties, the constituents of the LP do not manifest a clear political disposition, but streaks of political elitism are detectable.

The eclipse of the political cleavages after 1997 and the growing salience of socio-economic issues after the Asian financial turmoil have undermined unity in all parties and produced rifts in some of them (particularly the DP). Party colleagues who were previously united on political issues now find themselves at loggerheads over socio-economic concerns. The DP for example is divided on issues such as the minimum wage and the right of collective bargaining. Some radical members have even left the party in disgust. Members of the Frontier are split between those fighting for labour interests and those taking a pragmatic middle-class view on redistributive measures. In a context of rising public mistrust of the government and intensifying grassroots grievances, even the DAB has to occasionally distance itself from the government in order to contain internal disagreement. Likewise, from time to time the LP has to resort to protest actions against the government on behalf of the underprivileged.

17. Lau and Kuan, “Partial democratization, ‘foundation moment’ and political parties in Hong Kong.”

Hongkongers' persistence in differentiating the parties on the basis of their positions on the political cleavages, the understandable temptation of parties to distinguish themselves by their political outlooks and the declining significance of political issues in society have together hit the DP particularly hard. The party has found its supporters from the middle class dwindling in the past few years. Middle-class people used to support the DP because of their pro-democracy and anti-Beijing inclinations, but they are at the same time political pragmatists who are antagonized by radical political posturing, populist proposals and irrational political actions.¹⁸ Moreover, as the hardest-hit victims of Hong Kong's economic downturn, they desperately demand constructive proposals to alleviate their plight. The splits in the DP, its political radicalization in reaction to hostility from Beijing and Tung, and its incompetence on socio-economic issues have apparently alienated its middle-class sympathizers. Consequently, the DP finds itself in serious trouble. It is now in frantic search for a direction that will reunite the party and regain middle-class goodwill. In the meantime, the political role of the most popular party in Hong Kong politics has clearly diminished.

Stunted Party System and Hong Kong Politics

In most of the new third-wave democracies, political parties have encountered immense difficulties in rooting themselves in society. Specifically, a majority of the mass publics of new democracies remain unattached to any of a number of political parties, and the acquisition of stable partisan loyalties has been very slow and erratic. The weakly institutionalized party system in these new democracies has already produced a number of serious problems for the operation and consolidation of their democracies, including unequal political representation, ineffective governance, persistence of authoritarian practices, political fractionalization, arbitrary personal rule by elected leaders, among others.

In contrast with Hong Kong, however, most of the new democracies have a complete political party system in the sense that ruling parties coexist and compete with opposition parties, that parties represent a broad spectrum of policy agenda and that parties are more grounded in society. Hong Kong's stunted party system not surprisingly has created even more serious problems for the functioning of its political system. The increasing difficulties associated with the making and implementation of public policies, the proliferation of conflicts, the worsening executive–legislative relationship, the stalemates among competing interests, rising political mistrust and alienation of Hongkongers and the impending crisis of ungovernability are some of the prominent signs of political decay in post-1997 Hong Kong.¹⁹

18. Kuan Hsin-chi and Lau Siu-kai, "Cognitive mobilization and electoral support for the Democratic Party in Hong Kong," *Electoral Studies* (forthcoming).

19. See for example Ian Scott, "The disarticulation of Hong Kong's post-handover political system," *The China Journal*, Issue 43 (January 2000), pp. 1–28; and Peter H. Koehn, "One government, multiple systems: Hong Kong public administration in transition," *Public Organization Review*, Vol. 1 (2001), pp. 97–121.

The most detrimental political consequence of a stunted party system is a strained executive–legislative relationship. That this deteriorating relationship has not yet reached deadlock is simply because of the electoral system for the LegCo, which deliberately over-represents elite and pro-government interests. Nevertheless, without a stable and reliable majority support in the LegCo, an enormous amount of administrative energy has been spent on the need constantly to assemble ad hoc majorities to pass the government's bills. On major political issues related to the fundamental interests of Beijing and the government, Tung can still draw upon the steadfast support of a majority in the legislature. However, since the 2000 LegCo elections a loose “populist” coalition has appeared, drawing membership from parties (DP, DAB, LP, Frontier and ADPL) which are at odds on political issues. This “populist” coalition has been instrumental in scuttling the government's attempt to ease its fiscal constraints by raising tax or increasing charges for public service. As a lot of institutional reforms and policy changes have to be undertaken for Hong Kong to become more competitive in the global economy, a strained executive–legislative relationship seriously hampers its capacity to launch major initiatives at reform and readjustment.

A stunted party system has left the government overloaded with unaggregated demands filed by numerous interests.²⁰ The weakness of the political parties and their opposition stance mean that the interests they articulate and aggregate are only a section of the interests jockeying for attention in society. Moreover, the popular parties in fact play a critical role in pitting grassroots interests against the elite interests represented by the administration and hence exacerbate the problem of demand overload suffered by the government.

The ineffectiveness of the political parties is accompanied by the rise of other channels for the articulation of interests and viewpoints. In recent years, single-issue movements, special interest groups, the mass media, opinion leaders, civic associations and advocacy groups increasingly compete with political parties as political representatives of the people. In addition, there is a tendency for Hongkongers to take direct collective actions to air their grievances and put pressure on the government and the politicians.²¹ Political parties have certainly played a role in organizing these short-term and small-scale political actions, but it is obvious that many of them are spontaneous in origin and the participants deliberately spurn party involvement so as to increase the public legitimacy of their demands. The increasing resort to non-partisan means to advance interests inevitably further impedes party development in Hong Kong.

Political parties in a stunted system cannot serve as effective intermediaries between the government and the governed. The Tung administration cannot bank on a ruling party to mobilize social support for his major initiatives in reform and readjustment in the civil service, the social

20. See William H. Overholt, “Hong Kong: the perils of semidemocracy,” *Journal of Democracy*, Vol. 12, No. 4 (October 2001), pp. 5–18.

21. Lau Siu-kai and Wan Po-san, “Social conflicts: 1975–1995,” in Lau, *Social Development and Political Change in Hong Kong*, pp. 115–170.

welfare sector, the educational system and the land and housing area, leading to their abortion, failure or incomplete success. The widening gap between the government and the people is vividly reflected in falling public confidence in Tung and his government as well as the worrying growth of political discontent, cynicism and alienation in society. At the same time, the simultaneous erosion of public trust in the government, the LegCo and the political parties have brought about a serious detachment of the people from the political class as a whole and the resultant exacerbation of the problem of governance in Hong Kong.

Weak popular parties leave the ordinary people further under-represented in the elitist executive-led political system of post-1997 Hong Kong. The political dominance of career officials remains unchanged, save only that the inner political circle has been widened somewhat to include the business elites. The pro-business bias of the government, headed by a former shipping tycoon, is pretty obvious. Consequently, the post-1997 government is even less capable or willing than its colonial predecessor, which does not owe its power to rule to the business elites, to take measures to address the staggering economic inequality in Hong Kong. Grassroots frustration and anger have already reached boiling point and popular parties have not enough political clout and public trust to defuse social conflict.

The stunted party system has also limited ability to recruit political leaders and groom political elites. The configurations of a political career are still murky. Political careers are still seen as risky and unrewarding by ambitious people. The unattractiveness of politics to the elites prevent the appearance of trusted political leaders in Hong Kong, and political leadership is by design or by default provided by the business and bureaucratic elites who are not trained or inclined to be politicians. The effects of a dearth of political leadership at a critical juncture of Hong Kong's development are devastating.

Conclusion

The adverse political effects of a stunted party system are quite obvious to political scholars and outside observers. Nevertheless, the elites and people of Hong Kong have yet to link Hong Kong's growing political difficulties with the weakness of its political parties and the defects of its party system. The majority view is that the political parties have not done a good job and hence they should be further weakened if political order and effective governance are to be restored. The negative impact of the stunted party system has not yet generated public calls for review of the political system. Instead, political parties have been roundly blamed for Hong Kong's political problems.

Recently, some developments have appeared which reflect political actors' widespread frustration with the current situation and represent their deliberate efforts to find solutions. First, political parties are more willing to join forces in filing demands on the government. These demands are mostly related to non-political issues such as tax cuts,

reduction of the charges of public utilities and public transport fares, increase in welfare benefits, and financial help to property-owners in debt. By doing this the political parties want to improve their public image through convincing Hongkongers that they are ready to work together and demonstrate leadership. Secondly, Tung is planning to introduce a quasi-ministerial system where the principal policy makers in the government are political appointees rather than civil servants. Given the political differences of the political parties, increased co-operation among them represents political opportunism *tout court*. It is not likely to be a precursor of party realignment or party merger. Tung's initiative purports to strengthen his ability to govern. The appearance of a system of political appointees at the top of the SAR government might inadvertently provide the opportunity for the eventual formation of a "government party." Still, it is quite unlikely that Tung or Beijing is ready to appoint people with party backgrounds to the top posts of the government any time soon. Therefore, the steps taken by the political actors themselves will have only limited impact on the stunted political party system of Hong Kong.