

THE CIVIL SERVICE IN HONG KONG CONTINUITY AND CHANGE

AHMED SHAFIQL HUQUE

GRACE O. M. LEE

ANTHONY B. L. CHEUNG



香港大學出版社

HONG KONG UNIVERSITY PRESS

Hong Kong University Press

14/F Hing Wai Centre

7 Tin Wan Praya Road

Aberdeen, Hong Kong

© Hong Kong University Press 1998

ISBN 962 209 458 9

All rights reserved. No portion of this publication may be reproduced or transmitted in any form or by any means, electronic or mechanical including photocopy, recording, or any information storage or retrieval system, without permission in writing from the publisher.

The authors are grateful to the Contemporary China Research Centre, City University of Hong Kong, for its support to the project.

Printed in Hong Kong by Liang Yu Printing Co. Ltd.

CONTENTS

Preface	.....	vii
Abbreviations	.....	ix
Chapter 1	Introduction	1
Chapter 2	The Civil Service in Perspective	15
Chapter 3	The Challenge of Transition	27
Chapter 4	Preparing for Change	55
Chapter 5	Managing Succession	83
Chapter 6	Managing and Rewarding Performance	97
Chapter 7	Managing the Public Sector	125
Chapter 8	The Future Role of the Senior Civil Service	141
Chapter 9	Continuity and Change	159
Appendix A	.....	171
Appendix B	.....	173
Bibliography	.....	177
Index	.....	185

CHAPTER 1

INTRODUCTION

One of the most significant political events of the twentieth century has been the reintegration of Hong Kong with the People's Republic of China in 1997. The case of reversal of sovereignty was watched closely by the international community. Expectations of a smooth transition increased and declined as the negotiations proceeded and as the numerous areas that needed attention before and after the handover emerged over the period of negotiation. The wide range of issues that needed to be sorted out before the reintegration included the nature of the government to be established in Hong Kong, its relationship with the Central Government in Beijing, various administrative, political and judicial arrangements, financial and fiscal procedures, as well as human rights and freedom of the press. Most of these issues have implications for post-1997 Hong Kong.

In general, there is considerable interest in the changes and developments in East Asia. Academics, practitioners, students and policymakers across the globe are keen to know about the organization and operation of public services in this region, including Hong Kong. The contribution made by the civil service in Hong Kong's transformation from a tiny insignificant territory to a thriving business, commercial and financial centre within a relatively short span of time has aroused the interest of students of administration and policy. It is expected that the interest will increase substantially after the transition as people seek to assess the impact of the new regime.

As one of the most prominent institutions in society, the civil service has always played a major role in the administrative and political system of Hong Kong. The structure of the government has provided ample scope for the civil service to participate as an effective party in determining strategies for running the system, and considering the consequences, it has contributed positively to the success of the territory. It is obvious that this institution had a major impact on the changes that took place in Hong Kong in the past several decades. At the same time, the civil service could not avoid being affected by those changes and, as a major institution, had been involved in negotiations on the reversal of sovereignty as well as subsequent preparations for a smooth transition. From this point of view, the civil service has been in an interesting position. On the one hand, this institution could be viewed as an instrument

of colonial administration until the transition in 1997. Therefore, it would be expected to uphold the interests of the colonial power, in this case, the United Kingdom. In the run-up to the transition, the civil service could, therefore, be expected to bargain for the best deal for the United Kingdom and to assist in repatriation of profits, and ensure that the colonizing country will still gain favourable terms of trade and commerce to continue reaping benefits from the former colony.

As a major actor in Hong Kong society, the civil service, on the other hand, is expected to uphold the interests of the system in order to ensure that the transition does not bring about unfavourable outcomes for the territory. In this role, civil servants should seek to ensure that assets are properly accounted for and retained in the territory, while future terms of administration, trade and commerce should be in Hong Kong's favour. The relationship with the Central Government needs to be properly defined for protecting the interests of Hong Kong citizens and ensuring the continuation of existing policies. This is important if the territory is to continue performing at a desirable level of efficiency, have a healthy economy and a good quality of life.

As residents of Hong Kong, civil servants were naturally concerned over the transition and the subsequent period as there was a high degree of uncertainty and complexity inherent in the process. There were concerns over the political and administrative arrangements, the role of civil servants under those arrangements, and their contribution to the colonial and post-colonial governments. Civil servants were eager for assurances from the Chinese Central Government of the continuity of policies on the civil service as well as the rights of civil servants. This point can be strengthened by referring to the views of the public-choice theorists who emphasize the promotion of self-interest by civil servants. Downs (1967) believes that public officials are motivated primarily by self-interest and seek to build empires in order to protect themselves, their jobs and organizations from external threat. In Hong Kong, it is quite natural that civil servants would be unwilling to surrender the power and independence they enjoy in performing their tasks. However, it should be borne in mind that the civil service has been able to establish the image of a politically neutral and efficient institution.

Another consequence of a colonial system is the composition of the Hong Kong civil service. This institution has always been composed of a mixture of local and expatriate officials which was usually rationalized with reference to the preference for a merit-based system. Although a policy of localization has been in place for several decades, it has never been pursued vigorously and the composition of the civil service has remained mixed. Both local and expatriate civil servants have made significant contributions to the development of Hong Kong, and these skills may be required in the years to come in retaining Hong Kong's position as a leading commercial and services centre. The transition has brought to the fore questions relating to the place and role of a substantial component of the civil service, the senior public servants.

In view of the above, a number of issues relating to the civil service of Hong Kong merit attention. The transition and new circumstances certainly have had an impact on all sections of society, and the civil service as an important element of Hong Kong society could be a major focus of inquiry. The various challenges confronting the civil service and the strategies adopted in performing their tasks over the years can provide valuable insight into the system of public administration in Hong Kong. It should also help to clarify various steps and developments in the period leading up to and following the transition and add to the bank of knowledge on Hong Kong and China.

THE CIVIL SERVICE

Since the early days of civilization, individuals and groups have cooperated to accomplish various tasks aimed at survival and improvement of living conditions. With the passage of time and the emergence of governmental institutions, these activities have to be conducted within the framework of political and administrative institutions established by various states. Such institutions are guided mainly by the ideological inclinations of the ruling body and are decided upon, to a greater or lesser extent, with the consent of the citizens. An essential element in the functioning of these institutions is a body of employees who occupy crucial positions in the organization and serve as the lifeblood of governmental agencies. In the modern world, there are several variations in organizations and arrangements for determining the structure and functions of public agencies, and the civil service plays an extremely important role in their operation.

‘The civil service is a body of professional, full-time officials employed in the civil affairs of a state in a nonpolitical capacity’ (*Encyclopaedia Britannica*). The organization of people and resources constitutes a basic challenge to the task of administration. The process becomes much more complex if attention is paid to the diverse nature of functions and responsibilities of governments in modern states where the civil service represents an essential tool of administration. Members of the service perform an amazingly wide range of tasks and exercise a considerable degree of influence on the organization and operation of governmental agencies. In Hong Kong, the civil service has in fact played a dominant role in the process.

Civil servants are also regarded as a valuable group in a society for a number of reasons. They possess specialized skills which are essential for making decisions on a complex set of public issues and guide the process of implementation. Civil servants are experienced in operating public organizations and can provide useful services to political leaders as well as citizens in attaining the goals of society. The expertise of civil servants, as well as their position in the government, make them indispensable for the smooth operation of public administration.

In performing the tasks of the government, the civil service draws upon a large pool of qualified people who are recruited on the basis of specific qualifications. The task of recruiting, training, motivating and retaining this pool of talent is a critical one. Most countries use the services of a central personnel agency to coordinate these tasks with the help of numerous associated organizations. Consequently, effective management of the civil service emerges as a major challenge to the government of any country.

Although bureaucracy represents a particular way of organizing large-scale activities, Albrow (1970: 84–105) has pointed out a number of modern concepts. As the civil service occupies a crucial position in the society and members tend to develop strong bonds among themselves, the associational aspect of the civil service acquires prominence. The focus then shifts to the pattern of interaction among members of the civil service, their activities as articulators of interests and arbitrators of values. State policies may reflect the dominant values of the civil service, and researchers are compelled to examine the civil service as a formative influence on the society.

RESEARCH ON THE CIVIL SERVICE

The civil service has been a popular topic of study over a long period of time. Two distinct streams of studies can be noted from the early days. First is the pyramidal system of organizing activities, i.e., the bureaucracy and the staffing of the system or the civil service. Therefore, the great Asian civilizations, the Egyptian and Greek systems can be seen as forerunners of the modern civil service. Studies examining this aspect of bureaucracy sought to focus on the methods and patterns of organization and operation of the administrative machinery. At a later stage, a different focus could be observed in which the prominent role played by bureaucratic organizations in various state activities was highlighted and it was possible to identify the place of bureaucratic institutions in a political system. Some of these studies indicated the effective operation of bureaucratic systems in China as well as a number of European countries.

Studies on the civil service can take various forms and approaches. Bureaucracy as a concept and an organization has been the subject of numerous studies. Various scholars have sought to analyse the structure and functions of bureaucracies to explain the phenomenon as well as prescribe convenient patterns for allocating duties and responsibilities. Starting with the efforts of Max Weber to identify the characteristic features of the rationally organized bureaucracy, studies have pointed out the dysfunctions of bureaucracy (Merton, 1952), modification and abandonment of organizational goals (Selznick, 1961), and conflict between authority stemming from hierarchy and discipline and that derived from expertise (Gouldner, 1957). Blau (1955) extended his analysis to suggest that internal and external factors influence structural-procedural

adjustments, while Crozier (1964) highlights the impact of national culture on the attitude and operation of the civil service.

A large group of studies seek to describe the civil service in specific countries. They concentrate on structures, functions and the role of the civil service in terms of its utility and ability to achieve the desired objectives of the society. This approach to the study of the civil service is popular probably because it allows scope to examine a system in isolation and reach conclusions based on the experience and operation of that particular system. Such studies tend to explain strengths and weaknesses of the civil service on the basis of cultural and historical facts and generally do not seek to conduct in-depth analyses of the structures and functions.

Another set of studies tend to be more critical in identifying weaknesses of the civil service or explaining the causes for its failure to perform. Usually, such studies are based on the civil service in poor and developing countries (although some also examine developed countries) which are infested with numerous problems. Poverty, corruption, low levels of literacy, national debt and a host of other ailments are conveniently explained away in terms of the weaknesses of the civil service. Alternatively, they analyse the success of the civil service in contributing to the performance of public administration in a country. However, such studies are difficult to find, although there is a growing recognition for the need of conducting research in this area.

A third genre of studies place the civil service at the centre of analysis as an important player in the political system. Such efforts highlight the role of the civil service in formulating and executing policies as well as its participation in political struggles. The civil service competes for power to control the nation and the powerful institutions by a variety of means. It may be successful in enhancing its power and position in the society by winning over allies and neutralizing potential threats from competing groups. Therefore, the environment in which the civil service operates deserves attention. In the case of Hong Kong, the political and social environment in the run-up to 1997 has exerted tremendous influence on determining the future of the civil service, and the developments in the initial years of the Hong Kong SAR will have far-reaching effects on the system.

This study seeks to combine the various aspects covered in the first and third types of studies listed above. However, taking into consideration the unique characteristics of the Hong Kong SAR and the role of the civil service, three main aspects deserve special attention. In view of the changed circumstances, the study will seek to provide an overview of the evolution and consolidation of the structure and organization of the civil service in Hong Kong. This will be useful in unravelling the factors that have contributed to the current system, and in explaining the pattern of development that has taken place along with other changes in the society. Thus, an effort will be made to present updated information on the composition, organization and operation of the civil service in Hong Kong. In the process, reference will be

made to the development of this institution over the years with the intention of identifying prominent trends. This will help to fill a gap in the existing literature on the current Hong Kong civil service.

Secondly, a comprehensive understanding of the civil service in Hong Kong cannot be achieved without considering some of the recent changes aimed at making the institution more efficient and responsive to the needs of the society. In the wake of global trends to roll back the state and cut down on public expenditure on the bureaucracy, various efforts have been introduced to achieve more and better results with less input. Efforts at improving the process of and enhancing the output of public administration and management have led to a number of changes in Hong Kong over the past decades. Various schemes have been put into place to improve the process of human and financial resource management in the civil service, and the role of the public sector has come under repeated scrutiny. This will provide the second angle for examining the role and position of the civil service in the territory.

Additionally, this study will also analyse the role of the civil service as an important participant in the system of governance. The preparation for transition and the period following the reintegration have resulted in increased interaction between politicians and civil servants. The emergence of an effective political executive in a system traditionally dominated by bureaucracy precipitated conflicts and brought to the fore a number of issues which were hitherto absent in the civil service of Hong Kong. The study will try to examine the nature of the politics-administration interface as reintegration has been achieved and Hong Kong looks ahead to more challenges in the near and distant future. This will constitute the third major angle in the framework of the book. Hence, the book will present information on the organizational arrangements and structure of the civil service in Hong Kong, and develop arguments with reference to its history, composition and nature, while making readers aware of recent efforts to effect improvements in the system. In order to strengthen the arguments of the study, it will be necessary to consider the political influences which have contributed to the development of and changes in the nature, orientation and role of the civil service in Hong Kong. The entire study will be presented within the context of Hong Kong's transition from a British colony to a special administrative region of the People's Republic of China.

THE CIVIL SERVICE IN HONG KONG

The civil service has been one of the key institutions in Hong Kong. It has been credited with the accomplishment of a number of tasks which have contributed significantly to the success of the tiny territory in becoming a major trading and commercial centre and in its reputation for efficient and effective service provision. Several studies have recognized the crucial role

played by the civil service in formulating prudent policies and effectively implementing them in order to develop a highly competent, competitive and dynamic society. However, studies on the civil service of Hong Kong which describe its structure and functions, relationships with the society and which provide general information about this vital institution are difficult to find.

Interestingly, the civil service is mentioned in a wide variety of publications on a regular basis. In general discussions of the Hong Kong political system and the policy process, as an aid to the understanding of the Hong Kong economy, or even with reference to the role of Hong Kong in the international community, the civil service features as an important element. A scan of the literature indicates that publications such as *Far Eastern Economic Review* and *The Economist* regularly publish items relating to certain aspects of the civil service in Hong Kong. But in terms of academic exploration of issues, there are only occasional articles in journals and newspapers and only some efforts to include various aspects of the civil service within the confines of single chapters in books.

In recent years, a number of articles on specific aspects of the civil service have appeared in academic journals. For example, Cooper and Lui (1990) examined the role of the administrative state, while Cheek-Milby (1989b) studied the changing political role of civil servants. Cheung (1992, 1996b) and Burns (1994b) explored the background, motives and progress of public sector reform, while Lui and Cooper (1996) studied the values of civil servants with reference to the relationship between bureaucracy, democracy and administrative ethics. Cheung (1994b) also considered the implications of the civil service pay system for efficiency and equity. Some recent studies provide useful analyses of specific topics as well, such as changes in the nature of public administration in Hong Kong (Huque, 1996; Lam, 1997). Also, Lam (1996) noticed 'mutual distrust, tension, and incongruence of values' between politicians and bureaucrats during the transition in Hong Kong. Cheung (1997a) anticipates a 'new mode of bureaucratic politics' after 1997 within which the civil service will be allowed to become dominant. Such studies indicate the urgency of further research on the civil service. While the existing studies are certainly helpful in contributing to the understanding of the civil service, they fall short of providing a comprehensive picture of the entire civil service.

So far two studies have attempted to provide a comprehensive coverage of the civil service of Hong Kong. The studies were published under the editorship of Scott and Burns with somewhat similar titles — *The Hong Kong Civil Service: Personnel Policies and Practices* (1984) and *The Hong Kong Civil Service and Its Future* (1988). Both are useful studies and can serve as valuable reference, yet it has been several years since their publication. The data used in the compilation of these studies were collected several years earlier, and researchers looking for updated data have to fall back upon publications released by the government from time to time.

The Hong Kong Civil Service: Personnel Policies and Practices provides a profile of the civil service and describes its process of recruitment, selection, staffing, training and appraisal. Interesting issues of job satisfaction, staff relations and pay determination were explored to allow the identification of trends for the future. *The Hong Kong Civil Service and Its Future* views the changing role of the civil service as important and includes more diverse issues. For example, the perennial issue of the roles of specialists and generalists and the role of professionals was considered along with the timely issue of succession planning. This volume recognizes the urgent need to consider Hong Kong's transition as crucial, and examines changing values of civil servants, the search for an open system of administration, and the future of the Hong Kong civil service. An appropriate attempt was made to provide the readers with an overview of the Chinese civil service system.

However, the Hong Kong civil service underwent periods of tension and turbulence during the 1980s and, as the time for transition drew nearer, rapid changes took place. There were conscious efforts to localize the civil service, ensure its stability, and retain personnel in order to achieve a smooth transition and continue to perform efficiently and effectively beyond 1997. At the same time, changes were taking place in the attitude and outlook of the civil servants, methods of organization, as well as value systems and beliefs. Recent developments have given rise to concern over the issues of accountability, transparency and responsibilities of the government as well as the civil service. The major influence that straddles all these issues is the relationship with the sovereign, the People's Republic of China.

Considering Hong Kong's progress over the last three decades and the prominent role played by the civil service in the process, there is a substantial amount of interest in the topic among scholars, practitioners, politicians and citizens. Hong Kong has a unique history: as a part of China which was ceded to the British Crown as a colony and was eventually returned to the motherland. The colony had been administered from a distance by the Crown, principally with the assistance of an efficient and dedicated civil service. The time has now arrived to reconsider values, orientations, strategies, and the role to be played by the civil service in the Hong Kong SAR. As stated earlier, the book will serve a number of purposes, but the emphasis will be on providing an up-to-date analysis based on the managerial and political changes that dominate the agenda of the Hong Kong civil service in the run-up to the next millennium.

DEVELOPMENT, TRANSITION AND CHANGE

A number of changes in the territory over the past few decades have caused the civil service in Hong Kong to undergo major changes, at a rapid pace, over a short period of time. Reorganization of the Government Secretariat took place in the 1970s on the basis of recommendations made by management

consultants. The expansion of social services, the opening up of the education system, especially tertiary education, increased exposure to external influence due to large-scale emigration and return of residents, and, more importantly, the continued rise in affluence has helped to reshape the image and ideals of the civil service in Hong Kong. Subsequent to the publication of *The Hong Kong Civil Service: Personnel Policies and Practices*, there have been enough movements within the civil service to warrant a new study. This should be the first task of a new study on the civil service of Hong Kong.

It is necessary to begin with an overview of historical developments that resulted in the inception and growth of the public service in Hong Kong. An updated view of the Hong Kong civil service will shed light on the current number of civil servants, their biographical profiles and their backgrounds. This is essential to develop a comprehensive picture of this institution. Any analysis of the Hong Kong civil service should proceed with a description of its structure and incumbents with reference to the costs involved, and the aims and objectives of the institution.

The period between the conclusion of the agreement for returning Hong Kong to China and the actual reintegration is of great significance. A number of challenges — both political and administrative in nature — confronted the civil service as well as the government of Hong Kong. An understanding of these challenges is essential to a sound analysis of the attempts made in preparing for the changes and challenges that were anticipated. An immediate task was the development and reorientation of a civil service with local talent in charge, and arrangements for public officials to acquire skills consistent with the needs of the new circumstances. The reintegration of Hong Kong with China sparked off numerous efforts to prepare the territory for the event.

The need for proactively pursuing change and the risk to the advantages gained over the years from a predictable and reliable system merit further attention. It is obvious that civil services have to undergo change as societies develop, as pressures are exerted upon the environment (from both internal as well as external sources), and as there is a general tendency to improve the methods and mechanisms of administration. The civil service in Hong Kong is experiencing such pulls and pressures from different directions and must decide on the relative advantages and disadvantages of introducing changes in response to such pressures.

As the civil service is crucial in providing a number of essential services, it is also important to dwell on the principles and arrangements of its training. In the interest of continued stability and good governance, the civil service launched several programmes to train, orient and prepare itself for the occasion. Since Hong Kong has been administered as a colony of the United Kingdom for a long time, it is not surprising that the philosophy, methods and strategies adopted in training civil servants are heavily influenced by the British tradition. This area constitutes one of the most formidable challenges as there

is a need for unlearning certain aspects while incorporating new ideas and attitudes to serve the Hong Kong SAR of the People's Republic of China. To initiate this process, an approach of educating civil servants about China and its socio-political systems was evident. At the same time, civil servants sought to learn Putonghua (Mandarin), the working language of the government of China. An overview of the various agencies involved in designing and imparting training for the civil servants will be useful in determining the extent of preparations made and their effectiveness in the light of the changed circumstances.

A factor that is likely to have a major impact on the composition of the civil service is the policy of localization. The policy was adopted in the late 1940s (Podmore, 1971), but was delayed and deferred in the process of implementation. There are several arguments for and against localizing a civil service. For instance, localization has the benefit of enhancing the morale of local civil servants, opening up opportunities for advancement and ensuring the provision of effective services as communication between the administrator and the administered becomes easier. On the other hand, localization can be seen as an antithesis to the merit system, affecting the morale of the considerable number of expatriates already in service. Moreover, the issue becomes complicated as it is difficult to define a 'local' person in an international city like Hong Kong. There are officials who were born in Hong Kong, but have acquired foreign passports later in life. Alternatively, there are 'non-locals' who have lived in Hong Kong for most of their lives and consider the territory as their home. It has to be decided whether a local should be defined on the basis of racial origin, length of residence or the ability to speak and write the local language, or a combination of some of these factors. An analysis of the process of localization will clarify further the current profile of the civil service and indicate the trend for the future.

Attempts at the localization of the civil service were part of the challenge of developing and implementing a plan for succession in preparing the civil service for seeing through a smooth transition. Succession planning is often neglected in the development and management of a civil service, but this can lead to formidable difficulties. In view of the need for continuously providing services, every civil service should have a carefully planned arrangement for dealing with the vacuum that may be created as a result of the demise or departure of key personnel. This has emerged as an issue of major importance as Hong Kong has been suffering from uncertainties over its future for a long time.

The level of pay and its method of determination are sensitive issues for most civil services around the globe. There are perennial disagreements between the government and civil servants over the remuneration package to be offered for employment in public organizations. The determination of pay involves careful consideration of the financial strength of the government, the relative value of each job, needs of the employees, possible impact on the

society and consumers, and presents challenges relating to motivation, retention and satisfaction of civil servants. Rapid progress of the Hong Kong economy has helped to deal with the issue with relative ease, although the cautious approach of prudent money management has given rise to occasional disputes. As there is increasing emphasis on linking pay with performance, it will be interesting to review the existing methods and mechanisms for determining pay in the civil service and preparations for the coming years. Although Hong Kong retains a free-market-based economy, it will have to operate within the framework of a socialist state in which entirely different considerations will influence the process of pay determination. The high level of efficiency of the Hong Kong civil service has been recognized and it is felt that public officials are adequately rewarded for their contribution. However, it is not a simple matter of remunerating public employees on the basis of the strength of the public exchequer. There has been a noticeable shift in emphasis, and the issues of efficiency and equity in pay determination now constitute an extremely important aspect of the management of the civil service in Hong Kong. In the current climate, it is necessary to examine the pay system of the civil service in terms of acceptability, equity and operational consistency.

The management of the public sector continues to assume increased importance as society develops and consumers become aware of their rights, leading to heightened expectations. Similar to many other parts of the world, Hong Kong has been exposed to new values and cultures in the field of public administration and management. The political consciousness of Hong Kong citizens has increased, and civil servants are brought into the political process due to their position of power in the society. For various reasons, governments are now inclined to assess the performance of public officials with inputs from consumers of services and in terms of value for money. Although Hong Kong society has been undergoing rapid changes, the civil service and ideas about the management of the public sector have been relatively slow to respond. Towards the end of British rule, a number of changes became apparent in a relatively short period of time. A new philosophy of managing the public sector has emerged and new values are becoming prominent in the provision of public services. Recent efforts at transformation and institutionalization of values and attitudes will provide further insight into the changes taking place not only in view of the transition, but in response to other demands as well. Efforts to bring about improvements in the management of the public sector deserves critical attention from this point of view.

As Hong Kong has become a part of China, major readjustments will have to be made in various aspects of the civil service. The transition from a largely autonomous territory of the British government to a special administrative region of China entails numerous adjustments. The civil servants will have to learn to work under the guidance of an omnipotent political party, although they have little experience of working with political parties in Hong Kong so far. The issue of loyalty will come to the fore as there will be several claimants.

The British government has contributed, in some way, to the development of Hong Kong, as well as the powerful position occupied in the system by the civil service. The motherland, i.e., China, can also lay claim to the loyalty of the civil servants, while the interests of Hong Kong could also emerge as an important issue. The nature of communicating, interacting and working with the Central Government in China will be crucial to the future of the civil service in Hong Kong. As the first Chief Executive of the Hong Kong SAR has assumed charge and chosen his team of advisers, it will be interesting to speculate on the future role of senior civil servants in the post-1997 government of Hong Kong.

OUTLINE OF STUDY

The book consists of nine chapters. The first chapter sets the tone for discussion in general terms. Reference is made, in particular, to the available literature on the civil service of Hong Kong and, in general, to the issue of change. The objective is to demonstrate the need for such a study and determine the agenda for research in pursuing a project of this nature. This is followed by a chapter devoted to the history and profile of the civil service in Hong Kong. The origin and historical development provide insight into the evolution of the civil service and its current state. Chapter three highlights some of the challenges encountered by the civil service in view of rapid changes taking place in the society as well as the transition of 1997. Chapter four sheds light on the steps taken by the Hong Kong civil service to prepare itself for the transition. New approaches had to be adopted in training civil servants, while providing them with opportunities for familiarizing themselves with the government and society in China. The other major task in preparing for the transition was the gradual localization of the civil service based on a well-designed plan. The chapter reviews the process and progress of localization in the civil service. Chapter five addresses the issue of planning for succession. In view of the reintegration and its associated uncertainties, the civil service had to be adequately prepared with a plan for filling up crucial positions that could fall vacant due to localization, retirement/early retirement or departure of senior civil servants. The management of succession is analysed in the chapter. Chapter six considers the principles and practices of pay determination and the management of performance in the Hong Kong civil service, while chapter seven examines efforts to improve management of the public sector through a series of steps that introduce new values and cultures in public organizations and their employees. Chapter eight looks ahead at the future role of senior civil servants who have played an important role throughout the history of Hong Kong. The concluding chapter draws upon the accumulated findings of the previous chapters to identify issues, problems and challenges faced by the civil service of Hong Kong in the context of transition and in ensuring continuity amid change.

This book is expected to provide an overview of the organization, issues, problems and prospects of the civil service in Hong Kong, and the fact that the review takes place immediately after the transition adds a new dimension to the study. In order to appreciate the dimensions of issues and problems, a number of areas must be given special attention in this endeavour. Thus, the study is expected to update the information on the civil service of Hong Kong and present it in a comprehensive manner. This is considered necessary in order to fill a gap in the existing literature by providing new information as well as a fresh analytical approach to the problems and challenges faced by the civil service in Hong Kong. Such an effort is significant because Hong Kong is going through a unique experience of decolonization in which the civil service is providing valuable support.

CONTINUITY AND CHANGE

An examination of various aspects of the Hong Kong civil service reveals interesting findings. It is obvious that a large number of changes have been taking place in the last three decades, both within the civil service as well as in its relationship with the external environment in which it operates. The changes encompass a variety of issues and areas. The civil service has to anticipate, respond and provide crucial support to lead Hong Kong in its march to prosperity. Changes are evident in the scope of activities of the government and public administration, development and implementation of public and social policies, as well as efforts to improve the quality of life and the capacity of the civil service. Major reorganizations have been necessary in the structures and arrangements for providing and delivering public services, while persistent efforts have been required to introduce new values and cultures.

Studying the civil service in Hong Kong presents a formidable challenge. On the one hand, there has been little in-depth research on the topic, perhaps due to the unique political status held by Hong Kong for over 150 years — a British colony far from the centre of political power in London. Hong Kong was viewed as a small, manageable unit which was effectively administered by a handful of efficient and highly competent civil servants. The success of the civil service was partly attributed to non-interference of the political executive, and the strong support given to the private sector to develop and operate, which contributed to Hong Kong's prosperity and to a culture of contentment. It can also be related to the methods and mechanisms applied in selecting, training and obtaining the service of highly qualified and committed civil servants, who were rewarded with generous remuneration and solid support from the government. The reintegration with China and subsequent developments have resulted in a different scenario. The civil service finds itself operating under changed circumstances, helping the Chief Executive of the Hong Kong SAR to administer a society undergoing rapid transformation while placing a high degree of emphasis on stability and prosperity.

CHANGES AND DEVELOPMENTS

The nature, role and changes related to the civil service should be viewed with reference to the developments in Hong Kong over the past few decades. After a century of British rule, the territory was suddenly faced with the challenge of keeping up with major changes taking place locally and globally as the world recuperated after the ravages of the Second World War. Hong Kong was quick to cash in on the demand for reasonably-priced manufactured goods, and soon emerged as a major manufacturing centre. In spite of a considerable degree of success in this role, Hong Kong was not averse to taking risks and adjusting to the needs of the changing times. In anticipation of the emergence of competition in this area of activity, leaders of Hong Kong soon started a process of gradual transformation of the economy, and successfully established the territory as a major centre for trading and commercial services. The shift in the nature of economic activities was, to a large extent, due to the adoption and implementation of speedy decisions and effective teamwork by the civil service. The political system operated within a framework which was simple and which allowed the government to adopt policies without delay.

Economic prosperity resulted in changes in a number of areas. As the society became affluent, Hong Kong citizens were exposed to external influences at an increasing rate. The government realized the need to introduce new measures to enhance social cohesion and the effectiveness of the administrative system. There were efforts to establish better communication between the government and the citizens, and the use of Chinese language in administrative affairs increased. The population was growing and a number of services had to be expanded to keep pace with changes in the economy and rising expectations. Public housing became a matter of concern, and the government undertook steps to provide affordable housing to the large number of people who were in need. Health services, similarly, were expanded and a nine-year compulsory education system was introduced.

In order to accommodate the growing number of people and facilitate their participation in the expanding economy, extensions were made in the public transport system. This led to the construction of a huge transport infrastructure which facilitated the use of remote and hence extensive areas for residential purposes. New towns were developed in the New Territories to reduce overconcentration of people in the already crowded sections of Hong Kong Island and Kowloon. Further extension of roads and railways became necessary to cope with such developments. In these developments, the civil service had to lead Hong Kong from the front as the leadership of the territory remained in the hands of the executive. The healthy state of the public exchequer and the free hand enjoyed by the civil service in developing and implementing policy were instrumental in the rapid advance made in the socio-economic field.

The development of the economy and accompanying changes in the society

set the scene for subsequent changes in the political arena. The new generation of citizens acquired a new set of values as they grew up during the transformation of Hong Kong, and started to view the territory in a different perspective. Although family and work remained the primary concerns of the majority, a process of politicization did take place — the Joint Declaration, the Basic Law, the June fourth incident in 1989, and Chris Patten's political reforms. These developments brought subtle — and open — challenges to the civil service's historically largely unchallenged position.

As discussions and speculations over the future of Hong Kong began in the early 1980s, there was increased concern about the nature of the political system after the reversal of sovereignty. Upon the conclusion of the Joint Declaration between the United Kingdom and the People's Republic of China, it became obvious that the people of Hong Kong had not been provided with an opportunity to participate in the discussion over their own destiny. All the arrangements were finalized by leaders of two external powers, and the public became even more concerned about their future. It was clear that there was a need for increased participation of local people in the political process and, with the end of colonial rule in view, the British government was gradually, if not belatedly, shifting its stand to initiate the process of establishing a more representative form of government. A number of political groups emerged to reflect the changing circumstances, and the composition of the legislature was revised to introduce directly elected members in phases. The strengthening of the political element in the system ushered in a new trend of emphasizing a more responsive and responsible civil service.

At the same time, the Hong Kong government initiated conscious efforts to streamline financial and human resources management in the public sector. It was clear that public expenditure was to be made as prudently as possible with a series of new steps to ensure maximum value for money. Performance in the public sector had to be rewarded in an equitable manner, while continuing to offer excellent terms and conditions of service for attracting the best talents. Moreover, it was recognized that citizens had a right to expect service of an acceptable quality, and civil servants were repeatedly reminded of the need for inculcating and institutionalizing new values consistent with these principles.

The civil service had a major role to play in planning and preparing the society for the above-mentioned changes and associated challenges. The process of economic development was facilitated by an effective and efficient civil service which was able to provide excellent support to the business sector. It required a strict approach to ensure the discipline and order required to facilitate rapid development, while at the same time it called for flexibility to deal with new challenges. Various demands were thrown up as a consequence of the economic progress, and a number of new services had to be offered. Again, the civil service had to bear the burden of these tasks in developing and implementing policies to facilitate the expanded provision of education

and the rapid development of higher education, the development of health services, and a broader range of housing policies for the citizens. Social policies initiated during this period could be considered the forerunner of a number of developments in subsequent years. As an integral part of the government of Hong Kong, the civil service could be viewed as a major player in the introduction of constitutional reforms in Hong Kong. Overall, developments in Hong Kong have added considerably to the workload and pressure which have been well-addressed by the government, particularly with the able assistance of the civil service.

PROGRESS ACHIEVED

This book has listed some of the developments and changes in the civil service in Hong Kong in the past few decades. The role of the civil service has expanded as a consequence of the increasingly complex and varied nature of the government's activities. At the same time, there was growing concern over the reintegration and the process of transition, localization of the civil service, and the need to recruit and retain high-quality employees in the face of stiff competition from the private sector. The challenges were compounded due to the need of continuously responding to demands of the times and adopting to the rapidly changing circumstances.

The civil service of Hong Kong was confronted with a number of issues that emerged immediately prior to the reintegration. The relationship with the new Chief Executive, an entirely different Legislative Council as well as the motherland, China, had to be established smoothly. The other major issue was the incorporation of a new service culture which was introduced towards the very end of British colonial rule and had started to take roots prior to the handover.

New role and increased complexity of the government

In terms of profile, the civil service has grown rapidly to expand its activities. This was necessary to deal with demands and issues arising from significant changes taking place in the society. The number of administrative agencies and personnel went up and consequently, administrative arrangements became more complex. However, the size of the civil service as a proportion of the workforce is still small compared to most other countries in the world. The civil service can be considered youthful, as most of the senior officials are still in their forties or early fifties. Equality in gender representation is yet to be fully achieved, and male civil servants outnumber their female counterparts by a wide margin. However, it is heartening to see that a number of senior positions, including that of the Chief Secretary for Administration, are held by women. This is a remarkable progress in a traditional and male-dominated

society. But the lack of representativeness has not had an adverse effect on the civil service's efficiency and success in dealing with the various challenges faced.

Transition and smooth reintegration

The civil service was viewed differently by the Chinese and the British administration, yet both recognized its value in building and maintaining Hong Kong. The transition entailed a major challenge for this institution caught between the preferences of the outgoing and incoming sovereign powers, and this was manifested in worries and concern over the uncertainty and the need to adjust to changed circumstances. While the institution had performed well in the past with a high degree of autonomy, the emerging value of accountability had to be incorporated into the scheme of operation. It will be a while before the dilemma of accountability and autonomy can be satisfactorily resolved, but the signs are encouraging.

Preparing for the changed circumstances entailed a variety of activities for the civil service. Traditionally, Hong Kong civil servants were trained to adhere strictly to the rules and procedures of the organization. They were taught to perform their duties with absolute political neutrality, and be managerially accountable to their supervisors. A number of new areas of importance have been identified since the agreement was reached to return Hong Kong to China. Immediate efforts were noted to prepare training programmes to make civil servants proficient in Putonghua, the official language of the People's Republic of China. Civil servants have responded in large numbers by making use of the language training facilities. Another area which has received a great degree of attention is the familiarization with Chinese government and society. New training programmes have been designed for civil servants to provide them with opportunities to become familiar with the state, government and social system in China. Therefore, the breadth of training programmes has been expanded considerably to include elements from the wider environment. A recent development is the establishment of the CSTDI with the objective of streamlining training programmes and bringing them under the umbrella of one overarching unit.

Localization

Localization has been an accepted policy of the Hong Kong government for a long time, but for many years it was not pursued with much seriousness. This resulted in the low degree of representation of local civil servants at the higher levels. Only with the reversal of sovereignty in sight did localization appear to be pursued with some seriousness, and in the past couple of years local officials have been appointed to some of the top positions. The issue is

still being debated in many quarters where the main arguments revolve around the preference for merit or origin/nationality of civil servants and around the definition of the term 'local'. It is argued that Hong Kong has been successful due to its policy of attracting and rewarding merit, and allowing efficient civil servants to perform without hindrance. The arguments could have continued had not the Basic Law stipulated that 'only Chinese citizens with no right of abode in any foreign country' could fill the top positions in the civil service (Article 101). The policy of localization has found a substantial amount of support in the community since its merits are obvious in terms of administering and providing service to an overwhelmingly Chinese population. This is also considered to be an appropriate move to redress some of the inequity that infested the civil service in the past. Although such inequity is to be expected in a colonial civil service as was the case in Hong Kong, there is no scope for continuing an inequitable system that may affect the morale of the civil servants of the Hong Kong SAR of the People's Republic of China.

Recruitment and retention of high-quality officials

The system of pay in the Hong Kong civil service has been subject to anomalies, and it can be traced back to the colonial nature of the government, and disputes and discontent surfaced occasionally. The issue of pay could emerge as a source of conflict between the government and its employees. Uncertainty over the future of Hong Kong as well as concern over security of pensions after the handover gave rise to great anxiety among civil servants. Determination of pay in the public sector is a challenging task because it is extremely difficult to determine the worth of jobs which is not directly measurable in monetary terms. Moreover, the Hong Kong government has tried its best, as did the government of Singapore (Quah, 1996), to provide salaries and remuneration comparable to the private sector. A number of Salaries Commissions were appointed over the years to deal with the task of pay determination, and they basically followed the British system of 'fair comparison' with similar jobs outside the civil service. Although there have been occasional disagreements, based on the cost of living index, among staff unions and the government over the degree of increase, generally it is considered equitable. A number of problems still remain to be sorted out. It is realized that external comparisons can be inaccurate due to the sensitive issue of internal pay relativity, financial and economic constraints faced by the government, the issue of linking pay to performance, and the establishment of an appropriate machinery for pay determination. Financial and economic constraints pose the most formidable obstacle for many governments. The principle of comparability appears to have been widely used as it has been more convenient for the government to draw upon available information on the private sector. Progress has been achieved in some of these areas, and the principle of comparability appears

to have achieved 'a wide degree of acceptance and operational consistency and equity' (chapter six). The strategy will require serious reconsideration in view of recent human resources management reforms in Hong Kong as well as the financial crisis looming over Asia in 1998. While performance management is being promoted as the key to motivation, appraisal, rewards and sanctions, it will take some time before the existing pay system in the Hong Kong civil service can be replaced with one based entirely on performance.

Response to changes and new ideas

In fact, the concept of managing the public sector in Hong Kong is being seriously reconsidered. While minor changes have been taking place over the years, the 1990s have witnessed more comprehensive efforts to introduce major changes in the culture and orientation in the management of the public sector. In many ways, such attempts were related to the enhancement of performance as well as the introduction of a consumer-oriented culture.

A number of changes are evident in the civil service in Hong Kong. Additionally, there is pressure for more changes, and the civil service itself is keen on initiating certain steps to improve its level of performance. It seems likely that large-scale movements will take place in the civil service in the wake of the handover, and the new leadership of the Hong Kong SAR will have a list of tasks to be accomplished. Civil servants are now being exposed to two major dilemmas. The first one is related to their loyalty. On the political front, it is necessary to determine how they manage the tensions of maintaining their loyalty to the sovereign power, i.e., China, the Chief Executive of the Hong Kong SAR, and the locally elected Legislative Council. It will be necessary to take a clear position on whose interests should be accorded priority, in formulating policies and implementing them. On the administrative front, the dilemma lies between effectively integrating with, and becoming part of, the institutional framework of the People's Republic of China, retaining Hong Kong's capitalist way of life for 50 years, and maintaining its linkages with the Western world. These challenges call for substantial changes within the civil service and among its members, with reference to the changing context in which rights of citizens, democratic practices and an accountable approach to administration have come to be accepted as part of the foundation of a modern society.

EMERGING ISSUES

Relationship with the Chief Executive, the Legislative Council and China

The civil service in Hong Kong is not only going through a period of great

challenge and transformation, it is also being alerted to a number of issues that will need attention in the immediate and near future. Some of these issues are covered in this book. An issue of immediate concern is how the civil service can maintain its efficiency after the loss of experience and expertise prior to 1997. In the run-up to the reversal of sovereignty, Hong Kong did lose considerable experience and talent in the form of retiring civil servants. This might affect the stability and continuity of the government, and even cost the quality of Hong Kong's public service dearly when such talent was welcomed by the private sector. In the wake of a number of administrative challenges faced since the reintegration, the question has been lurking in the background.

Senior civil servants had always been an integral part of the executive group that led Hong Kong throughout the years. It is not surprising that the Chief Executive would prefer to exercise control over appointments at the top level of the civil service. However, the existing scenario indicates that the senior civil service is most likely to retain its role as a powerful institution in the political system of the Hong Kong SAR. The rise of local officials in increasing numbers to the top level will facilitate the process of closer cooperation between the civil servants and the powerful business elites, who will compete among themselves to maintain ties with the senior administrators. It appears that Hong Kong will continue to be 'effectively ruled by an administrative bureaucracy' (chapter eight).

Any civil service should be prepared for such eventualities by carefully planning for succession. The Hong Kong government has initiated the process by establishing guidelines governing the retirement of civil servants. They must now seek approval from the Chief Executive if they seek to join private sector organizations which are based in Hong Kong. Moreover, the policy of localization has given rise to concern over accelerated promotion of relatively junior civil servants who would step in to fill the top positions. Although this development will probably inject a degree of enthusiasm among civil servants, there are justifiable criticisms related to promotion and advancement without the necessary experience and competence. In view of such a scenario, the best strategy could be to provide opportunities for broadening the scope of experience of the civil servants through cross-posting and for enhancing their knowledge and competence through additional training facilities.

The civil service is currently under great pressure from a number of directions. China would like to secure the complete loyalty of Hong Kong civil servants. Emerging social and political realities demand a considerable amount of compromise. Civil servants are increasingly expected to cooperate with the new breed of political leaders who have close links to the grass roots. Policy issues are now considered with reference to the common people and are no longer determined according to the convenience and interpretation of the privileged few. This requires a noticeable departure from the style of administration adopted in the early days. However, there is no scope for compromising on the quality of policies and public services as Hong Kong

strives to maintain its competitive edge.

The emergence of a watchful legislature and supervision by elected politicians were gradually, if not somewhat reluctantly, being accepted by the civil service, but that development has been thwarted. While a fully elected legislature was in effect, senior civil servants were not convinced that this was the best way of ensuring a responsive and accountable system of administration. They were often found to be critical of the capability of Hong Kong's political leaders, and questioned their ability to provide the best leadership to the territory. The encouraging sign, however, was the readiness of senior civil servants to appear before the legislature and provide answers and information on request from members. Of late, leaders of the civil service have been expressing full support to and cooperation with the Chief Executive, and this augurs well for Hong Kong. However, their support to the Executive and Legislative councils, bodies that play a prominent role in the formulation and implementation of policies, will also be critical.

New culture

The civil service will be facing stronger challenges in seeking to establish a new set of values and a new culture. Until recent years, the Hong Kong civil service was well served by a 'role culture' in which the organization was based on a functional structure. The functions were coordinated at the top by a small group of senior civil servants. Thus, the Governor, his Executive Council and a handful of key officials ran the show with the help of a number of rulings and directives which covered the entire civil service. Such bureaucratic features were supported by a set of values including hierarchical loyalty, neutrality and efficiency (Lui, 1988: 131-66).

As Hong Kong civil servants continue to serve in the new set-up, it is quite likely that the profile will change over the coming years. Once the uncertainty and trauma of the transition passes, the rate of turnover will decline, thus allowing the civil service to build a valuable bank of experience and talent. This will resolve the problem of high turnover, but will it give rise to a situation in which the civil service is dominated and guided by a group of senior civil servants steeped and trained in the traditional style of administration? One challenge for the Hong Kong civil service may be to ensure that bright and talented young administrators are encouraged to join the service and allowed to provide an input of fresh views and ideas in the process.

Continuation of the process of localization will result in the gradual occupation of top positions by local civil servants. If the level of efficiency drops or even temporarily suffers, this issue may emerge again. Participants in the debate who have argued that the quality of the civil service will suffer if the principle of merit is compromised, may seek to have the policy reconsidered. The cosmopolitan nature of Hong Kong attracts a huge volume of talent, and the civil service may wish to make better use of it. It can be

expected that a considerable number of expatriates will still serve the civil service and government of Hong Kong as consultants.

Pay and salaries in the Hong Kong SAR will be an interesting area to watch. It is already being discussed in terms of the high level of discrepancy between the rich and the poor in Hong Kong. As time goes by, there will be increasing interaction between Hong Kong and the PRC, and the issue of restructuring the salary system may be brought up in the interest of equity. The huge difference of salaries between Hong Kong and the PRC may be an issue, particularly in the public sector. Tying salary levels to performance will give rise to additional challenges. Current arrangements that are being set up in line with the new orientations of the Hong Kong civil service and the preferences of the government will have to endure the transformation to the 'one country, two systems' style of administration.

The issue of evaluation of performance will also need to be addressed. Will the existing arrangements of evaluation be considered adequate under the new system? At present, performance evaluation is designed mainly in line with organizations in the private sector, with some elements added to underline the public nature of the civil service. The new system of administration in the Hong Kong SAR is not expected to make immediate changes in this area, but the performance will have to be somehow tied to the overarching political objectives of the government. This will also have implications for the new cultural elements introduced in the Hong Kong civil service towards the end of colonial rule. Slogans such as 'serving the community' will perhaps remain in place, but the civil service will have to devise ways of striking a balance between the needs of Hong Kong society, its government and the PRC.

Soon after the reintegration with China, the Hong Kong civil service was confronted with a number of difficult tasks. There have been threats to public health, and officials in the Agriculture and Fisheries Department as well as the Hospital Authority have had to face criticism over the handling of the problems. Combined with the financial crisis and instability looming over Asia as well as Hong Kong, this has contributed to the erosion of public confidence in the capability of the government to administer the territory efficiently (*SCMP*, 19 January 1998). The civil service will have to perform the difficult task of helping the government to regain public confidence.

A NEW BEGINNING

The civil service in Hong Kong has developed through a number of phases, and several significant changes have taken place over the years. The service was initiated with specific objectives to administer Hong Kong as a colony of Her Majesty, and was established on the basis of rules formulated for colonial governments elsewhere. But the difference between Hong Kong and other colonies became evident, and it was necessary to make periodic adjustments

to the structure and rules of the civil service. In this area, the civil service of Hong Kong has demonstrated excellent resilience and adaptability to refute some of the criticisms levelled against bureaucracy in many countries.

One of the hallmarks of the Hong Kong civil service is its high level of efficiency over the years. This has contributed substantially to the progress of Hong Kong. Both the public and private sectors were able to flourish as their respective roles were clearly defined, and a framework was established to allow both sectors to operate with full effectiveness. At the same time, the civil service helped to design a system for facilitating the cooperation between the government and the business sector, with the objective of achieving progress, stability and prosperity for Hong Kong. It is generally acknowledged that the contribution of the civil service has played a major role in developing the territory, and the public will be looking forward to continued improvement in this area. The civil servants will have to work hard to maintain the reputation and continue to perform at a high level of efficiency.

This can be facilitated by taking further steps to entrench the spirit of recent initiatives introduced in the civil service in particular and society in general. The civil service has been guided to move towards a more open system whereby the public will be able to understand the bases of the actions of civil servants and their consequences. The system must be perceived as transparent and fair to be considered just and equitable by the public. The practice of legislative oversight, combined with the authority to raise questions over major administrative decisions, will go a long way in winning the trust of the public. Effective functioning of the legislature and its committees will result in improvements in the process of policy formulation and implementation, and will greatly assist in closing the distance between the public and the civil service which has been one of the negative consequences of the colonial system of administration. Emphasis must be placed on establishing an accountable government to further strengthen measures aimed at improving the quality of public administration in Hong Kong.

Recent developments in Hong Kong have revealed some areas in which reviews and reforms have to be extended in order to make the system fully effective. Both the political leadership and the civil service have to be committed to the utility of an open and efficient system. Members of the legislature and the civil service need to develop a strong sense of mutual trust if the system is to work. Both institutions must view each other's actions as efforts to effect improvements, and seek to cooperate to achieve those ends collectively. An accountable government can function only within a framework of trust. Participating groups should not be working under the assumption that the other parties are out to discredit them.

Hong Kong society is getting weaned to the idea of a new approach to governance in which their expectations and aspirations have been greatly heightened due to significant changes in the social, economic and political arenas. Public services are now aimed at providing service to the community

and the society, and in the coming years, the public will be expected to play an increasingly prominent role in the process of governance. This can be deduced from a recent review of the performance of the last colonial Governor in Hong Kong. The report indicated that he would be leaving behind a positive legacy in some respects. *Far Eastern Economic Review* (1997) suggested that Governor Patten 'forced to the surface issues that would have emerged in any event after 1997'. His efforts to establish a system of open government, his submission to questions by the legislators once a month, hence making himself more accessible to the press, and the opening up of government files, Ching believes, will make it difficult for the Chief Executive of the SAR to discontinue such practices. 'It is unlikely that a public once accustomed to such openness will meekly accept a rollback to a period when bureaucrats were not accountable' (*Far Eastern Economic Review*, 1997).

The Hong Kong civil service will have to come to terms with a number of issues in the near future. The level of expertise and efficiency will have to be maintained while providing adequate scope for innovation and flexibility. This will entail streamlining of the methods of recruitment, training and development of civil servants. Measures will have to be devised and introduced to ensure a proper place for merit while strengthening the position of local civil servants. The pay system and methods of performance evaluation will have to be monitored carefully to keep up with international practices and trends, while taking into consideration the needs and capabilities of the Hong Kong government. An effective civil service will be vital for the future development of the SAR, provided that a proper balance can be maintained between protecting the interests of Hong Kong and China, and fulfilling the international role expected to be played by the territory. The civil service will have to reassess its position in the light of the emerging scenario, and adjust its strategies and priorities accordingly.

Much of these measures will have to be complemented by planned developments in a number of other areas. Internally, the civil service must determine the need for change and present a carefully planned strategy to reach this end. The history, culture and mood of the civil service must be understood before such efforts can be initiated. This could be an area for further research to be pursued by both the civil service as well as scholars. Externally, the civil service of Hong Kong must realize its role in the society and sort out its relationships with the various sections that have implications for its operation. The mood of the society will have to be understood with reference to recent social and political developments, expectations and aspirations of the public, as well as future directions towards which Hong Kong will have to move, in order to retain its unique position in China as well as the rest of the world. These will also require extensive research that needs to be undertaken without delay.

INDEX

- access to public service 75
- administrative officer grade 67-8, 130, 152
- administrative officers 23-4, 63, 67, 83, 86, 147-8
- administrative state 22-3, 90
- Agriculture and Fisheries Department 24, 168
- Akers-Jones, Sir David 89
- Architectural Services Department 18, 77
- Asprey, Alastair 69
- Association of Expatriate Civil Servants 75, 76, 77, 79, 94, 116
- Association of Former Senior Civil Servants 41
- Attorney General 20, 34, 68, 154
- Australia 113

- Basic Law 33, 36, 37, 38, 39, 43, 54, 58, 64, 68, 69, 97, 138, 144, 154, 156
- BBC Television 36
- Bill of Rights 75
- Blake, James 154
- Bokhary, Mr Justice 76
- Bremridge, John 154
- Britain 108-9, 115
- British Dependent Territories Citizens (BDTCs) 75
- British Nationality Scheme 42, 86
- Buildings Department 132
- Burrett Committee (1989) 104, 110-1

- cadet service 23, 67
- Canada 108, 115
- Cantonese 56, 63

- Census and Statistics Department 133
- Chan, Mrs Anson 19, 35, 40, 68, 96, 131, 142, 144, 150, 155
- Chan, John 89
- Chief Executive 18, 39, 42, 53, 54, 85, 96, 97, 126, 139, 141, 144, 150-6, 159, 165, 166, 170
- Chief Executive-in-Council 23
- Chief Secretary 19, 24, 50, 68, 71, 112, 130, 135, 142, 144, 152
- Chief Secretary for Administration 19, 130, 132, 136, 144, 162
- Chinese Central Government 2, 6, 8, 16, 37, 42, 43, 44, 142, 144, 155, 165-70
- Chinese Civil Servants Association 116
- Chinese Communist Party 41, 43, 45, 59, 62, 64, 80
- Chinese language 76, 79
- Chinese Language Division 79
- Chinese Language Officers 79
- Chinese University of Hong Kong 62
- City District Offices 33
- City University of Hong Kong 62
- Civil Aviation Department 18
- Civil Engineering Department 18
- civil service, Hong Kong
 - attrition in the 83-4
 - Civil Service Regulations 130
 - Financial and Accounting Regulation 130
 - General Regulations 130
 - growth rate 16-17, 92
 - industrial action in 100
 - pyramidal system 4
 - remuneration in the 10-1, 97-124, 164-5

- Secretary for the 69, 76, 87
 Weberian model 24, 45
- Civil Service Branch 64, 97, 98, 117
 Pay Investigation Unit 103, 105
- Civil Service Bureau 21, 117, 118, 130, 133, 138
- civil service reform in China 44-5
- Civil Service Training and Development Institute (CSTDI) 56, 59, 63, 65, 163
- China Studies Section 65
- Chinese Language Section 64
- English and Communication Training Unit 64
- General Grades Training and Development Unit 65
- Information Technology Training Section 64
- Management Training Unit 65
- Senior Management Development Unit 65
- Training Schemes Section 64
- Civil Service Training Centre (CSTC) 59, 61, 62, 63, 64, 79, 80, 137
 language courses 81
- Civil Service Training Director 62
- collective bargaining 115
- colonial administration 15, 36, 131, 168
- Colonial Regulations 142
- Colonial Secretary 19
- Commander-in-Chief 19
- Commissioner of Customs and Excise 68
- Commissioner of Police 68
- Common Law 58
- community leaders 145
- Constitutional Affairs Bureau 21, 130
- Court of Appeal 54, 76
- Court of Final Appeal 40
- Data Processing Agency 20
- Department of Health 17, 133, 137
- directorate-grade officers 83
- Directorate Pay Scale (DPS) 17, 59, 66, 83, 117
- Director of Audit 25
- Director of Immigration 68
- Director of Intellectual Property 30
- disciplined services 100
- disciplined services pay scale 17
- District Administration Scheme (1980) 33, 47
- District Boards 33, 90, 96, 134
- District Management Committee (DMC) 46
- Economic Services Branch 21, 130
- Education and Manpower Bureau 21, 130
- Education Commission 153
- Education Department 18, 29, 130
- Efficiency Unit 47, 131, 135
- English language 27, 46, 56-7, 63
- Estimates, annual 20
- Executive Council 19, 126, 130, 138, 141, 142, 153, 167
- expatriate officers 2, 10, 29, 30, 55, 65-81, 99
- expatriation allowances 71
- external constituencies 51-2
- Fan, Rita 153
- Finance Branch 20, 49, 50, 127
- Finance Bureau 130
- Financial Secretary 20, 68, 130, 154
- Financial Services Branch 21
- Fire Services Department 17
- Ford, Sir David 112
- Foreign and Commonwealth Affairs, Secretary of State for 142
- Four Cardinal Principles 45
- Fulton report (1968) 46
- General Disciplined Service Pay Scale 19
- German public administration 53
- Government Printing Department 20
- Government Secretariat 8, 18, 49, 145, 147, 152
- Governor 19, 54, 133, 142
- Governor-in-Council 105, 142
- Governor's Question Time 143
- Haddon-Cave, Philip 143
- Harbinson, Stuart 89
- Hay Management Consultants 104
- Head of the Civil Service 20
- Health and Welfare Bureau 21, 130
- Her Majesty's Overseas Civil Service

- (HMOCS) 93-4
 Home Affairs Bureau 21, 130
 Hong Kong Affairs Adviser 41, 78
 Hong Kong and Macau Affairs Office 38, 41, 150
 Hong Kong Baptist University 62
Hong Kong [British Nationality] Order 1986 75
 Hong Kong Chinese Civil Servants Association 93
Hong Kong Government Annual Report 72
 Hong Kong Institute of Personnel Management 123
 Hong Kong Police Force 18, 29, 30, 100, 107, 122, 133
 Hospital Authority 16, 50, 168
 Housing Authority 153
 Housing Bureau 21, 130
 Housing Department 29
 Hui Ki-on 69
 human resources management (HRM) 98-9, 112, 116-23
 Immigration Department 29, 137
Immigration Ordinance 75
 Independent Commission Against Corruption 28, 68, 89
 Information Services Department 29
 Information Technology and Broadcasting Bureau 21, 130
 Inland Revenue Department 137
 Intellectual Property Department 18
 internal constituencies 49-50
 International Covenant on Civil and Political Rights 75
 International Labour Office 115
 Ip, Stephen 94
 Joint Liaison Group 39, 41
 Judiciary 39
 Keith, Mr Justice 76
 Labour Advisory Board 92
 Labour Department 17, 130, 136
 Work Simplification Scheme of the 136
 Lai, Peter 69, 141
 Lam Woon-kwong 28, 30, 88, 94, 141
 land sales 16
 Land Transport Agency 20
 Lau Chin-shek 92
 Legal Department 18, 68, 133
 Legislative Council 19, 21, 35, 36, 37, 40, 43, 54, 67, 70, 90, 96, 117, 134, 138, 142, 143, 153, 165, 167
 Finance Committee 25
 Letters Patent and Royal Instructions 19, 142
 Leung, Antony 153, 158
 Leung, Bowen 69
 Leung Chun-ying 153
 Leung, Elsie 154
 Leung Man-kin, Michael 89, 92
 Leung Ming-yin, Lawrence 28-9, 88
 Liao Chengzhi 38
 Li Kwan-ha 69
 Li Peng 30
 Local Crown Counsel Association of Hong Kong 71
 localization 2, 8, 10, 18, 34, 65-81, 99, 163-4
 Local Senior Officers Association 116
 Lu Ping 40, 42, 150
 MacLehose, Governor Sir Murray 22, 143, 146
 'mainlandization' 49, 52
 Management Improvement Advisory Committee (Australia) 98
 Master Pay Scale (MPS) 17, 19, 59, 103
 Maule, Patrick 123
 McKinsey & Co. 34, 46, 50, 54, 146-8
 Megaw Committee (1982) 111
 'ministerialization' 147, 154
 Monetary Authority 21, 130
 New China News Agency (Xinhua) 39, 41, 42, 149
 New Pensions Scheme for Civil Servants 39
 New Public Management (NPM) 47, 49, 52, 101, 113, 119
 New Territories 22, 160
 New Territories Administration 24

- 'one country, two systems' 42, 43, 58
 Organization for Economic
 Cooperation and Development
 (OECD) 98, 109, 113
 overseas officers 18, 25, 65-81
- Patten, Governor Chris 27, 34, 37, 40,
 41, 44, 122, 131, 133, 134, 136,
 143, 144, 152, 170
 performance pledges 125-40
 perks 74
 Peter Principle 113
 Planning, Environment and Lands
 Bureau 21, 29, 130
 Preliminary Working Committee (PWC)
 40, 41, 42
 Preparatory Committee 38, 39, 41, 141
 Priestley Commission (1953) 103
 Provisional Legislative Council 43, 53,
 54, 97, 130
 public housing programme 22
 public sector reform 47-8, 50-2, 97,
 125-40
 Public Service Commission 69, 72
Public Services Commission Report 73
 Putonghua (Mandarin) 10, 41, 56, 63,
 79, 163
- Qian Qichen 40
 quasi-non-government organizations 16
- Regional Services 122
 reintegration, Hong Kong and China
 vii, 1, 9, 27-54, 57-8
 Rennie Committee (1988) 107, 111
Report of the Salaries Commission, 1930
 67
Report of the Salaries Commission, 1947
 70
 riots of 1967 33, 34, 102, 143, 147
 Robinson, Governor Sir Hercules 23
R v Man Wah Keung 76
- Salaries Commission 102, 103
 Secretaries 20, 83
 Secretary for Education and Manpower
 89
 Secretary for Justice 20, 130
 Secretary for Planning, Environment
 and Lands 69
 Secretary for Security 69
 Secretary for Works 154
 Security Bureau 21, 130
 Selby, Stephen 30
 Senior Civil Service Council 116
 Senior Non-Expatriate Officers
 Association 77
 Senior Staff Course (SSC) 59, 80
 Senior Staff Course Centre (SSCC) 59,
 64
 Service Standards Committee 133
 sex ratio 18
 Sino-British Joint Declaration (1984)
 15, 32, 33, 38, 39, 40, 68, 72, 90,
 91, 92, 161
 'sinovization' 69, 70, 72
 Social Services Branch 24
 Social Welfare Department 17, 29
 Standing Commission on Civil Service
 Salaries and Conditions of Service
 103-4, 105
 Pay Trend Survey Committee 105
 Standing Committee on Disciplined
 Services Salaries and Conditions of
 Service 107, 122
 Standing Committee on Judicial
 Salaries and Conditions of Service
 123
 'Star Chamber' 50
 State Council 43
 'synarchy' 146
 Sze Cho-cheung, Michael 4, 86
- Tam Yiu-chung 153
 Textile Advisory Board 133
 Thatcher, Margaret 141
 'through train' 39, 40, 41, 43
 Tiananmen crackdown 42, 86
 Trade and Industry Branch 21, 130
 Trade Department 133
 Transport Bureau 21, 130
 Trench, Governor Sir David 22, 143,
 157
 Tsang, Donald 35, 40, 156
 Tsinghua University 61, 62, 80
 Tung Chee-hwa 27, 42, 96, 97, 141,
 142, 144, 150-6

-
- United States 101
 Civil Service Reform Act (1978)
 102, 119
 Federal Salary Reform Act (1962)
 108
 Performance Management and
 Review System 113
University of Hong Kong 62
Urban Services 122
- Vocational Training Council 16
- Wilson, Sir David 143
- Wong Hyo, Peter 93
Wong, Rosanna 153
Wong, Wilfred 90
workforce 16
Works Branch 21, 29, 130
- Yau, Irene 29
Yeung Kai-yin 89
Youde, Sir Edward 143
- Zhou Nan 39
Zhu Rongji 30