China and the Selection of Hong Kong's Post-Colonial Political Elite

Leo F. Goodstadt

In preparing for the resumption of sovereignty over Hong Kong, the Chinese government had to decide which individuals and groups would occupy the commanding heights of the post-colonial political landscape. During the colonial era, the British had sought to enhance their legitimacy in the absence of democracy through endorsement from representatives of the "business elite" (the families which owned the leading banking, commercial, industrial and real estate enterprises, together with the senior executives of major public companies and leading professionals).[1] In return, this elite and its proxies were granted a privileged role in policy and law-making throughout most of British rule.[2] Chinese officials responsible for managing the transition from British to Chinese rule proved equally eager to have this group's support,[3] and well before 1997 China had replaced "the colonial bureaucracy as the political partner of the bourgeoisie"[4] and was recruiting a majority of its new political establishment from the business elite.

This article explores how China chose its post-colonial political establishment. Previous studies have tended to regard the dominant factors in the selection process as Sino-British diplomatic confrontations or Hong Kong's internal political developments.[5] The analysis here attaches

1. This term embraces a concept widely employed and well understood (though not precisely defined) by Hong Kong scholars, whose usage this paper follows. See S.N.G Davies, "One brand of politics rekindled," *Hong Kong Law Journal*, Vol. 7, No. 1 (1977); Ian Scott, *Political Change and the Crisis of Legitimacy in Hong Kong* (London: Hurst & Co., 1989), ch. 1; Siu-kai Lau, *Society and Politics in Hong Kong* (Hong Kong: Chinese University Press, 1982), pp. 124–27. Alvin So reviews the concept in "The Tiananmen Incident, Patten's electoral reforms, and the roots of contested democracy in Hong Kong," in Ming K. Chan (ed.), *The Challenge of Hong Kong's Reintegration with China* (Hong Kong: Hong Kong University Press, 1997), pp. 50, 77–78.

2. On the "state-business, symbiosis," see Stephen Chiu, *The Politics of Laissez-faire. Hong Kong's Strategy of Industrialization in Historical Perspective* (Hong Kong: Hong Kong Institute of Asia-Pacific Studies, 1994), pp. 52–63; Alex H. Choi, "State-business relations and industrial restructuring," in Tak-Wing Ngo (ed.), *Hong Kong's History. State and Society Under Colonial Rule* (London: Routledge, 1999), pp. 144, 153–54.

3. Xu Jiatun's two-volume *Hong Kong Memoirs* convey the impression throughout that in capitalist Hong Kong, it was more important to be in touch with the affluent and the prominent than with the work force and its representatives. *Xu Jiatun Xianggang huiyilu* (Taipei: Lianhebao, 1993).

4. Benjamin K.P. Leung, "Political development: prospects and possibilities," in Benjamin K.P. Leung (ed.), *Social Issues in Hong Kong* (Hong Kong: Oxford University Press, 1990), p. 39.

5. See Lee Ming-kwan, "Politicians," in Richard Y.C. Wong and Joseph Y.S. Cheng (eds.), *The Other Hong Kong Report 1990* (Hong Kong: Chinese University Press, 1990); Jane C.Y. Lee, "The 1997 transition and Hong Kong's evolving political leadership," in Donald H. McMillen and Michael E. DeGolyer (eds.), *One Culture, Many Systems. Politics in the Reunification of China* (Hong Kong: Chinese University Press, 1993); Lo Shiu-hing, "Political opposition, cooptation and democratization: the case of Hong Kong," in Li Pang-kwong (ed.), *Political Order and Power Transition in Hong Kong* (Hong Kong: Chinese University Press, 1997); Lo Chi-kin, "From 'through train' to 'second stove'," in Joseph Y.

greater weight to the role of a long-term strategy guided by specifically Chinese priorities and perceptions of Hong Kong. After a statistical overview, the article summarizes the ideological, political and economic considerations which shaped Chinese policies in assembling the group. It then discusses the individual stages of the selection process, explores its dynamics and reviews the data available on the group's colonial and political backgrounds.[6] Finally, it offers an assessment of the success or otherwise of the exercise.

Statistical Overview

China used a series of official appointments as public "status markers" to identify its post-colonial elite. Although the process was not presented officially as a unified programme, the selection of the new establishment can be seen in retrospect to have been an integrated exercise. A variety of building blocks was involved, and the overall process was complex, protracted and far from transparent, creating special statistical difficulties.

The status markers. In mid-1997, there were 1,083 Hong Kong residents with official Chinese "status markers." Between them, the group shared a total of 1,590 Chinese appointments and titles conferred by the Chinese government from 1992: 136 places on the National People's Congress (NPC) and the Chinese People's Political Consultative Conference (CPPCC) (who had a specific role under the Basic Law in selecting the Chief Executive and first post-British legislature); 602 positions on five new political bodies which China established to deal with Hong Kong affairs (the Preliminary Working Committee, the Preparatory Committee, the Selection Committee, the Provisional Legislature and the post-colonial Executive Council); and 852 awards of the largely honorific status of Hong Kong Affairs or District Affairs Adviser.

The group was closely connected to the business elite and dominated by representatives of business and the professions, which together accounted for 62 per cent of its total numbers. Only 11 per cent could be described as representative of the community at large. Some 49 per cent of the group were from a business background, of which 71 per cent were from the commercial sector, 17 per cent from the industrial and 12 per cent from the financial. Of the 13 per cent of the group with a professional background, 40 per cent were lawyers or accountants, 14 per

footnote continued

S. Cheng and Sonny S. H. Lo (eds.), *From Colony to SAR. Hong Kong's Challenges Ahead* (Hong Kong: Chinese University Press, 1995), pp. 30–34; Sonny Lo Shiu Hing and Donald Hugh McMillen, *Images and Perceptions of the "Pro-China Hong Kong Elite"* (Canberra: National Library of Australia, 1995). An important exception is Lau Siu-kai, although he too stressed "the preponderant obsession of China with the British threat" in *Decolonization Without Independence and the Poverty of Political Leaders in Hong Kong* (Hong Kong: Hong Kong Institute of Asia-Pacific Studies, 1990), pp. 25–29.

6. I am happy to record my indebtedness to my former colleague Helen Cheng, previously a Central Policy Unit Member, and to all her team, whose knowledge of the process, personalities and statistical problems involved was unrivalled.

cent architects, engineers or from similar professions, 11 per cent medical practitioners and 11 per cent publishing, cultural and related activities. The other professions represented ranged from business consultancy to information technology.

The group also had close links with the colonial administration and contained a considerable proportion of political activists: 48 per cent had undertaken public service for the colonial administration, and 50 per cent were involved with political organizations (excluding the Chinese Communist Party (CCP)).

Limited data. The data used in the tables and analysis in this article were compiled in the following manner. The targets of the research were the individuals on whom the Chinese government had conferred Hong Kong-related appointments (many of them overlapping). The primary source used was the Hong Kong news media reports of each new batch of appointments, which included as much detail as they could assemble on the appointees' backgrounds.[7] The next stage was to verify and amplify the data. The colonial administration's Government Secretariat and Government Information Services occasionally collated the published information on individuals' backgrounds (largely as reported in the media[8]), and these *ad hoc* summaries proved invaluable.[9] Public service under the colonial administration was recorded comprehensively in official publications.[10] Additional material was sought from standard reference works and similar sources.[11] Some useful academic analysis was also available, especially for appointments in the 1980s.[12] Nevertheless, the basic data remain subject to significant limitations which reflect their dependence on disparate, mainly media-based sources rather than professionally-designed surveys.

7. E.g. *Hong Kong Economic Journal*, 29 December 1995, *Wenhui bao*, 2 November 1996.

8. The official reliance on media sources reflected the colonial administration's increasing inhibitions about research dealing with personalities and their backgrounds during the 1990s. Changing public attitudes led to statutory restrictions imposed by the Personal Data (Privacy) Ordinance (1995).

9. The summaries were designed for general information and often used for non-attributable briefings. The colonial administration never undertook an analysis of China's appointees of the sort presented in this article.

10 In the annual *Civil and Miscellaneous Lists. Hong Kong Government* (Hong Kong: Government Printer). More limited information on public service in China was available from the annual *China Directory in Pinyin and Chinese* (Kawasaki: Radiopress, Inc.).

11 Principally Lo Chi-kin and Ho On-tat (eds.), *Xianggang renminglu. 1995 Who's Who in Hong Kong* (Hong Kong: Cosmos Books, 1994) but also Kevin Sinclair (ed.), *Who's Who in Hong Kong* (Hong Kong: Asianet Information Services, 1988).

12. Particularly Joseph Man Chan and Chin-Chuan Lee in *Mass Media and Political Transition: The Hong Kong Press in China's Orbit* (New York: The Guilford Press, 1991), pp. 54–62. Also Emily Lau, "The early history of the drafting process," in Peter Wesley-Smith and Albert Chen (eds.), *The Basic Law and Hong Kong's Future* (Hong Kong: Butterworths, 1988), pp. 90–98; William McGurn (ed.), *Basic Law, Basic Questions. The Debate Continues* (Hong Kong: Review Publishing Company Ltd, 1988), pp. 165–68. Academics generally have relied on the media as the selection process grew more complex (e.g. Benjamin K.P. Leung, *Perspectives on Hong Kong Society* (Hong Kong: Oxford University Press, 1996), pp. 42–43; Brian Hook, "Political change in Hong Kong," in David Shambaugh (ed.), *Greater China: The Next Superpower* (Oxford: Oxford University Press, 1995), p. 205).

The most serious but intractable deficiency was the lack of information about CCP connections. (There is only anecdotal evidence to identify individual Party members.) As a result, the Party's representation in the group could not be quantified. In addition, details of ages and educational backgrounds were patchy, even for personalities as prominent as the Chief Executive, Tung Chee-hwa. There were ambiguities about his exact date of birth to which the Hong Kong press has drawn attention.[13] When he was first appointed, neither the official Chinese media[14] nor the Hong Kong press in general clarified his secondary education and whether he had attended Chung Wah Middle School during the early 1950s,[15] an educational establishment whose final closure by the colonial administration in 1968 provoked vigorous Chinese diplomatic protests.[16]

Since a high proportion of the appointees were community leaders and prominent business or professional personalities, the media could usually trace their business and political careers with some accuracy. As a result, the data proved reliable in identifying individuals with business and professional backgrounds, together with their public service records and their political party associations. However, undertaking a more detailed breakdown of business and professional interests was more problematic. In identifying persons as belonging to a specific category of business or profession, the press tended wherever possible to follow the same classification that Chinese officials used for their selection process. Their approach appears to have been generally practical and straightforward. One implicit criterion was that members of these groups should be "entrepreneurial." On this basis, the proprietors, directors and senior executives of business corporations were assigned to the commercial, industrial and financial groups ("business"), but senior executives of public utilities and statutory bodies were excluded.[17] Similarly, educational and social work professionals were excluded from the professional category. A second criterion was that assignment to a particular category should be based on an individual's current principal occupation. On this basis, individuals were assigned to the business category despite their professional qualifications and previous careers.[18] There was inevitably scope for arbitrary and inconsistent assignments of individuals in these classifications as recorded by the press, and they required checking. One further complication was that no information could be traced for the occupations of 121 members of the pool (11 per cent of the total).

13. *South China Morning Post*, 5 September 1997.

14. New China News Agency (NCNA hereafter), 11 December 1996.

15. As recorded by the *Shenzhen tequ bao* (*Shenzhen Daily*), 12 December 1996 and Wang Min (comp.), *Yi dai chuan wang Dong Jianhua* (*Tung Chee Hwa: The Shipping Tycoon of His Generation*) (Beijing: Zhonghua gongshang lianhe chubanshe, 1997), p. 31.

16. The school was first raided and closed temporarily by the Hong Kong police in 1958 (NCNA, 26 August 1958) and closed permanently in 1968 (NCNA, 27 August 1968), despite grave official Chinese indignation.

17. E.g. John Chan Cho-chak (KMB chairman); Jack So Chak-wong (MTRC chief executive), Yeung Kai-yin (KCR chairman).

18. E.g. Edgar Cheng Wai-kin (medical practitioner), Donald Liao Poon-huai (architect), David Li Kwok-po (accountant).

The China Dimension

China's selection of the post-colonial elite was shaped by two factors. The first was China's internal political developments. The legacy of Mao Zedong's original United Front strategy for winning the co-operation of the propertied classes had been refurbished by the prestige which entrepreneurs enjoyed as a result of Deng Xiaoping's economic reforms. The second factor was China's perceptions of Hong Kong. Chinese officials' sensitivity to the business elite's political role under colonialism was reinforced by their fears of a collapse in business confidence.

The Maoist legacy. In Mao Zedong's approach to United Front work, "the basic idea was a simple one: the communists, themselves always a minority of the population, would have to gain support of many non-communists to achieve their goals."[19] This observation was very relevant to Hong Kong which showed little enthusiasm for exchanging British colonial rule for that of the CCP.[20] The significance of Mao's legacy for Hong Kong was illustrated in 1996 by Li Ruihuan, politburo member and chairman of the CPPCC, when he quoted Mao extensively to justify the United Front policies which he had advocated to pacify fears about Hong Kong's future.[21]

In the context of Hong Kong, three tactics which Mao had developed for the urban areas were to prove particularly applicable. First, the CCP's hostility to the landlord and capitalist classes should be suspended. Instead, the "national bourgeoisie" was to be persuaded to co-operate with the CCP out of patriotism and self-interest.[22] Secondly, they were to be allowed to participate "both in the government and in the people's representative bodies" provided they were not "actively opposed to the Communist Party." The CCP itself would not occupy more than a minority of the posts in the new organs of power.[23] And finally, when the United Front was in the ascendant and employers were being cultivated, the CCP gave the appearance of taking the working class and its loyalty for granted,[24] and urban workers were to be induced to set aside "the immediate and partial interests of the working class."[25]

19. Kenneth Lieberthal, *Governing China. From Revolution Through Reform* (New York: W.W. Norton, 1995), p. 73.

20. For the polling evidence, see Michael E. DeGolyer, "Political culture and public opinion," in Joseph Y.S. Cheng (ed.), *The Other Hong Kong Report 1997* (Hong Kong: Chinese University Press, 1997), pp. 172–76.

21. *Dagong bao*, 12 March 1996.

22. Including the "comprador Chinese big bourgeoisie," even though "this class is a class which directly serves imperialism ... and has always been a target of the revolution." *Selected Works of Mao Tse-tung* (Beijing: Foreign Languages Press, 1967), Vol. II, pp. 288–290, 422–23, 442–48; Vol. I, pp. 13–14.

23. No more than one third, he laid down, and "on no account should our Party monopolize everything." *Selected Works*, Vol. II, p. 445.

24. Mao Zedong assumed an identity of interests as well as a natural affinity between the Party and the working class. See *Selected Works*, Vol. I, p. 19; *Selected Readings from the Works of Mao Tsetung*, (Beijing: Foreign Languages Press, 1971), pp. 290, 395.

25. *Selected Works* (Beijing: Foreign Languages Press, 1969), Vol. IV, p. 203.

Deng Xiaoping's reforms. Although the CCP never totally abandoned this sort of strategy in handling Hong Kong affairs, its United Front activities had lost credibility even before the Cultural Revolution (1966–76). On the Mainland, however, the policy of co-operation with the "national bourgeoisie" had been reversed once the CCP had consolidated its control. Mao's class analysis had been arbitrarily redefined to suit the needs of mass political campaigns, and these increasingly violent movements intensified the ferocity of class struggle so that by the time of his death in 1976, Maoist theories of class had been discredited. Most Hong Kong families had Mainland relatives whose experiences provided ample reason to conclude that Mao's pronouncements had reflected expediency rather than principle.

Under Deng Xiaoping, the original United Front policies of compromise and accommodation with capitalism gained a fresh lease of life when virtually all those who had been victimized because of their class origins were rehabilitated. The Party's explanations for this return to the past included the need to win Hong Kong's support for the transition to Chinese sovereignty,[26] but more than expediency was involved. Deng's economic reforms had opened the door to private enterprise, stock markets and a new breed of entrepreneur. The process of making capitalism respectable was facilitated by the way "China's leading communist families ... are being transformed during a single generation into China's leading businessmen,"[27] many with close links to Hong Kong.

Deng Xiaoping's Hong Kong policy followed Mao's ideological line and offered the business and professional classes reassurances to offset uncertainties caused by the transfer of political power. Deng also followed Mao in excluding from the United Front programme any attempt to cultivate the ordinary worker. He promulgated two guidelines: the pool of "Hong Kong people ruling Hong Kong" should be drawn from the business and professional classes and exclude, as far as possible, the "left" (who might focus on workers' rights)[28]; and the sole pre-condition was that they should be "patriots" willing to support official Chinese policies.[29] In 1987, he specifically rejected Western-style democracy and dismissed calls for faster political reforms and for the post-colonial Hong Kong government to be chosen through direct elections.[30] This public statement restricted the United Front's scope for compromise in dealing with Hong Kong's "pro-democracy" groups.

26. *Major Documents of the People's Republic of China* (Beijing: Foreign Languages Press, 1991), p. 537.

27. William H. Overholt, *China. The Next Economic Superpower* (London: Weidenfeld & Nicholson, 1993), p. 70.

28. They would have to "adhere to the capitalist system" and be "professionally competent." They should include "as few as possible" from the "left." Deng Xiaoping, *On the Question of Hong Kong* (Hong Kong: New Horizon Press, 1993), pp. 18–19.

29. "Patriots" were defined as individuals who not only "love the motherland and Hong Kong" but would not do anything "detrimental to the interests of the motherland or ... Hong Kong." They should also support China's resumption of sovereignty. *Ibid.* pp. 19, 11.

30. *Ibid.* pp. 52–56.

Deng Xiaoping's directives found their practical expression through the Basic Law, whose final version was a largely successful attempt to entrench capitalism and preserve the less democratic political features of the colonial era.[31] The process first of drafting this blueprint for Hong Kong's post-colonial political, legal and economic systems, and then of manning the new political structures it created, was to require the recruitment of a large number of Hong Kong participants who would form a post-colonial elite chosen largely in accordance with Deng's guidelines.

Perceptions of Hong Kong. Apart from ideological developments within China, there were specific Hong Kong factors which made the business elite the priority target. Chinese official analysis tended to see Hong Kong capitalism not just as a structure of competitive markets and institutions but, even more, in terms of an economic and political system dominated by a small group of wealthy individuals supported by suitably pro-business government policies.[32] The Chinese bureaucracy handling Hong Kong affairs came to believe that tycoons and taipans controlled the levers of power.

The historical record seemed to support this view. Academics had attributed the social and political equilibrium achieved under the colonial administration to a process of "administrative absorption of politics ... by which the government co-opt[ed] the political forces, often represented by elite groups, into an administrative decision-making body."[33]

Hong Kong's historical experience may also have served to justify the lower priority accorded to other social classes. Academics viewed instances of mass, radical agitation in Hong Kong as the outcome of patriotic sentiment combined with anti-colonialism and anti-capitalism rather than as generated by social discontent.[34] The CCP had found its principal supporters among "workers and students" during the sometimes violent political agitation of the 1950s and 1960s, although the labour movement, otherwise, was weak and had considerable difficulty in developing an effective political role.[35] By contrast, the Party had faced strenuous opposition from the business elite which had been co-opted by the colonial administration. In consequence, the CCP could feel secure in

31. Yash Ghai, *Hong Kong's New Constitutional Order. The Resumption of Chinese Sovereignty and the Basic Law* (Hong Kong: Hong Kong University Press, 1997), especially pp. 139, 270, 465 and 468.

32. These attitudes are exemplified in the two volumes, *Hong Kong's Economy*, in the official Chinese research series on "The return of Hong Kong," the second of which is simply a directory of 109 of Hong Kong's biggest businessmen. Chen Duo and Cai Chimeng, *Xianggang de jingji yi* and Yin Chongjing and Cao Huanguang (eds.), *Xianggang de jingji er* (Beijing: Xinhua chubanshe, 1996).

33. Ambrose Yeo-chi King, "Administrative absorption of politics in Hong Kong: emphasis on the grass roots level," in Ambrose Y.C. King and Rance P.L. Lee (eds.), *Social Life and Development in Hong Kong* (Hong Kong: Chinese University Press, 1981), pp. 129–130.

34. Benjamin K.P. Leung, "Social inequality and insurgency in Hong Kong," in Benjamin K.P. Leung and Teresa Y.C. Wong (eds.), *25 Years of Social and Economic Development in Hong Kong* (Hong Kong: Centre of Asian Studies, 1994), p. 191.

35. See the interesting analysis of this issue by B. Karin Chai, "The politicization of unions in Hong Kong," in McMillen and DeGolyer, *One Culture, Many Systems.*

wooing its historical opponents, the business elite, and see no urgent need to rally support from the Hong Kong labour force through promises of social improvement. If at some future stage community-wide support were required, China might expect to exploit a combination of appeals to patriotism and the mass mobilization techniques of its labour and other organizations. In this, Chinese officials could depend on the loyalty demonstrated over several decades by the Federation of Trade Unions (FTU), the territory's largest labour organization, and similar mass organizations.

China's financial anxieties also encouraged a preoccupation with the business and professional classes. From 1979 to 1995, Hong Kong provided almost two-thirds of total direct foreign investment in China. If the business elite had rejected the Chinese leadership's pledges to retain Hong Kong's capitalist system, the financing of China's own economic development would have been in jeopardy. This danger was underlined when direct investment actually utilized from Hong Kong and Macau fell by 8 per cent in 1990 after the crushing of the pro-democracy movement in June 1989.

The start of Sino-British negotiations on the future of Hong Kong in 1982 created more alarm than optimism among the business elite. The threat of a corporate exodus was highlighted in 1984 when Jardine Matheson acquired a Bermudan domicile. By 1995, some 59 per cent of the local firms listed on the Hong Kong Stock Exchange were reported to have followed its example and obtained overseas incorporations. A prolonged capital outflow began after 1983, and investment in Hong Kong slowed down during the first half of the 1980s. Chinese officials sought to repair business confidence by offering political reassurance as well as financial support.[36] Chinese anxieties revived in the mid-1990s when there were fears first of a collapse in business confidence during the Sino-British confrontations over political reforms and then of an economic crisis after 1997.[37]

The Building Blocks

Co-option of the post-colonial elite was a key element in implementing the United Front strategy propounded by Deng Xiaoping.[38] The process of assembling the building blocks for the post-colonial political establish-

36. See Wong Siu-lun, *Emigrant Entrepreneurs. Shanghai Industrialists in Hong Kong* (Hong Kong: Oxford University Press, 1988), pp. 190–91; Y.C. Jao (ed.), *Hong Kong's Banking System in Transition: Problems, Prospects and Policies* (Hong Kong: Chinese Bank's Association Ltd, 1988), pp. 237–241; Joseph Y.S. Cheng, "Towards the establishment of a new order," in Beatrice Leung and Joseph Cheng (eds.), *Hong Kong SAR: In Pursuit of Domestic and International Order* (Hong Kong: Chinese University Press, 1997), p. 290.

37. E.g. Lu Ping, *Wenhui bao*, 26 October 1993; Cheng in Leung and Cheng, *Hong Kong SAR*, p. 290.

38. Lo Shiu-hing, "Political opposition, co-optation and democratization: the case of Hong Kong," in Li Pang-kwong, *Political Order and Power Transition*, p. 135. His discussion of this issue is very perceptive.

ment is summarized in Table 1. The individual stages are reviewed below.

Basic Law Committees. Deng Xiaoping had indicated that the selection of "Hong Kong people ruling Hong Kong" would start after 1990.[39] Nevertheless, China's leaders decided in 1985 to use two vehicles to seek Hong Kong views in drafting the Basic Law. The Basic Law Drafting Committee was formally responsible for the drafting work. Its 59 Mainland members had an overwhelming majority. Of the 23 Hong Kong members, 16 had business or professional backgrounds and a further five were public figures. The Basic Law Consultative Committee was to advise the drafters on the community's views. All its 180 members were Hong Kong residents. Business and professional representatives were the largest single group, with less than a quarter drawn specifically from labour and grassroots organizations.

These bodies were not an integral stage in the formation of the post-colonial establishment, but they provided useful experience of working both with the business elite and with "pro-democracy" groups. Chinese officials were dismayed by the extensive publicity about the procedural and substantive disputes within the two Basic Law committees.[40] Business and professional representatives, however, proved more co-operative with China's agenda than other members, forming themselves into the "Group of 89" within the Consultative Committee to resist demands for political reforms from labour and community organizations.

Hong Kong and District Advisers. Formation of the post-colonial establishment started in earnest only after 1990 and the enactment of the Basic Law. The Chinese side had learnt its lesson from the controversies in drafting the Basic Law and adopted a new formula for "consulting" Hong Kong. The position of "adviser" was created in 1992 with the personal endorsement of China's leaders but without forum or formal agenda, which made it largely honorific. The more prestigious category was "Hong Kong Affairs Adviser" to which 185 individuals were appointed. The lesser category was "District Affairs Adviser" to which 667 were appointed.

These appointments were perceived widely as a countermove to the colonial administration's pursuit of political reform (although Chris Patten had not yet been appointed Governor). The Chinese government, however, was careful to emphasize that the appointees would not become a "second power centre" or undermine the role of the colonial administration during the transition to 1997.[41] In reality, the creation of these largely honorific titles would have been in China's interest whatever the state of Sino-British relations. The appointments gave the Chinese side endorse-

39. "During the last six or seven years of the transition period." Deng Xiaoping, *On the Question of Hong Kong*, p. 18.

40. Lau in Wesley-Smith and Chen, *The Basic Law and Hong Kong's Future*, pp. 93–104.

41. *Dagong bao*, 24 January 1992.

Table 1: **Building the Post-Colonial Political Establishment**

Cross-memberships	*Preliminary Working Committee*	*Preparatory Committee*	*Selection Committee*	*Provisional Legislature*
Basic Law Consultative Committee (180)	12	36	63	14
Basic Law Drafting Committee (23)	11	14	12	4
District Affairs Advisers (667)	0	3	57	8
Hong Kong Affairs Advisers (185)	32	72	150	32
Preliminary Working Committee (37)	37	37	33	14
Preparatory Committee (94)	37	94	82	24
Selection Committee (400)	33	82	400	51
Provisional Legislature (60)	14	24	51	60
Executive Council (11)	4	5	6	2

Note:

Figures in parentheses are the total Hong Kong membership for each body. Categories overlap. The figures for Executive Council exclude *ex officio* members.

ment from individuals who had respectable records of public service but who would not engage in the confrontations over democratic reforms that had occurred on the Basic Law Consultative Committee.

Preliminary Working Committee. The Chinese government next tackled a problem created by the Basic Law. This document laid down that not until 1996 should a Preparatory Committee be established "to prescribe the specific method for forming the first Government and the first Legislative Council" of the Special Administrative Region, as well as the creation of a Selection Committee to nominate the first Chief Executive. China's leaders found it impractical to delay preliminary work on the post-colonial political system until that date. In 1993, therefore, the Preliminary Working Committee (PWC) was set up. Unlike the Basic Law Drafting Committee, the 37 Hong Kong members commanded a majority on the PWC.

As with the Hong Kong and District Affairs Advisers, there were diplomatic and propaganda points to score in presenting the PWC's establishment as retaliation for the colonial administration's introduction of political reforms in defiance of China's objections. Chinese officials warned explicitly that unilateral reforms would result in the PWC's establishment as a "second stove,"[42] yet they also insisted that it would not act as a "second power centre"[43] (though such disclaimers left observers unconvinced). As with the appointment of the Hong Kong and District Affairs Advisers, there were cogent practical reasons for establishing the PWC regardless of relations with the colonial administration. Indeed, a CPPCC member has stated privately that Lu Ping, Director of the Hong Kong and Macau Affairs Office, informed him of plans for the PWC in March 1992 (before Chris Patten's appointment.) Chinese officials expected it to present recommendations on a wide range of issues in order to minimize uncertainty and confusion when the Special Administrative Region came into being.[44] Significantly, although the colonial administration refused to recognize the validity of the PWC, its officials worked constructively with PWC members on a variety of issues.[45]

Preparatory Committee. The Preparatory Committee was established in 1996 in accordance with the Basic Law and included all PWC members. The 94 Hong Kong members had a larger majority over the 54 Mainland members than the minimum prescribed by the Basic Law.

42. E.g. Lu Ping, Director of the Hong Kong Macau Affairs Office, *Dagong bao*, 8 February 1993.

43. Lu Ping, *Wenhui bao*, 4 January 1993.

44. See Deputy Premier and Foreign Minister Qian Qichen's definition of the PWC's functions in *Dagong bao*, 17 and 31 July 1993.

45. Notably on a solution to the Court of Final Appeal dispute, for which the colonial administration was attacked. Anthony B.L. Cheung, "The civil service in transition," in Stephen Y.L. Cheung and Stephen M.H. Sze (eds.), *The Other Hong Kong Report 1995* (Hong Kong: Chinese University Press, 1995), p. 71.

Selection Committee. The Preparatory Committee was responsible for "preparing the establishment of the Selection Committee" in accordance with the formula set out in the Basic Law. This body would "recommend" to the government a candidate as the first Chief Executive. All its 400 members had to be "permanent residents" of Hong Kong and "broadly representative," with half the total allocated specifically to business and professional representatives. The business elite could also expect to be heavily represented among the 25 per cent of the membership allocated to "former political figures" and NPC and CPPCC members.

Provisional Legislature. The Chinese government refused to endorse the last Legislative Council elected under British rule in 1995. However, instead of organizing elections for the first post-British legislature as prescribed in the Basic Law, the Selection Committee was left to choose a "Provisional Legislature," which began to function even before the end of British rule. It thus represented a more unambiguously hostile challenge to the colonial administration than the previous stages in building the post-colonial establishment. Of its 60 members, half had been members of the Legislative Council elected in 1995, and another 17 per cent had been unsuccessful candidates in the 1995 elections.

Executive Council. The Selection Committee nominated the Chief Executive who, in turn, chose the 11 non-*ex officio* members of the post-colonial Executive Council. Some 18 per cent were members of the Provisional Legislature, which marked a return to the colonial tradition suspended by Chris Patten of overlapping membership of the two councils.

China's Interests, Hong Kong Realities

While the framework for the selection of the new elite was largely determined by the Basic Law, the process was neither static nor mechanical. Even though the principal targets for co-option remained the business and professional classes during the transition to 1997, there were important shifts in emphasis throughout the period.

1982–1984. In the months before the Joint Declaration, China's leaders made a sustained effort to cultivate community support for their position although Hong Kong was denied any formal role in the negotiations. Apart from guarantees that capitalism would survive intact, senior Chinese officials also spoke in terms that implied they would support democratic reforms.[46] "Pro-democracy" activists (notably Meeting Point)

46. The language used by Premier Zhao Ziyang and New China News Agency Deputy Director Li Zhuwen was not as unambiguous a commitment as Hong Kong believed. Hsin-chi Kuan and Siu-kai Lau, "Hong Kong's Search for a consensus: barriers and prospects," in Hungdah Chiu *et al.* (eds.), *The Future of Hong Kong. Toward 1997 and Beyond* (New York: Quorum Books, 1987), p. 105.

were endorsed after rallying early in support of Hong Kong's return to China. In the immediate post-Joint Declaration period, the United Front campaign's targets included most of the key occupational, social and cultural groups in the territory. Quite rapidly, however, the Chinese government became particularly alarmed by threats to the economy, and an alliance was formed with business and professional interests, whose leaders came to enjoy the closest access to the Chinese leadership.

1985–1989. This alliance was strengthened by mounting Chinese anxieties about the timing and extent of democratic reform, and the focus of the United Front campaign narrowed in consequence (symbolized by the exclusion of a prominent independent labour activist from the Basic Law drafting process[47]). The colonial administration had raised the issue of reform publicly, which provoked vigorous denunciations from Chinese officials who wanted future political developments to be under Chinese not British control. China sought to persuade the British side to abandon plans for early direct elections and to allow future electoral arrangements to be dictated by the Basic Law. As the drafting of the Basic Law proceeded, Chinese officials encountered serious difficulties in controlling the representatives of the populist groups appointed to the Basic Law Drafting and Consultative Committees.[48] The diplomatic and political struggle lasted until late 1987 when the British side finally gave way.[49]

Throughout the period, the Chinese government found its firmest supporters among the business elite who feared that more democracy would deprive its members of their dominant role in Hong Kong. Thus, the United Front strategy implied that, at this stage, priority should be given to isolating the colonial administration by detaching its traditional supporters, the business elite. Chinese officials therefore converted the colonial formula of "administrative absorption of politics" into a Chinese formula for the "political absorption of economics" that enabled "big business elites to forge a new alliance with the Chinese Government which, of course, was happy to co-opt them."[50] Like the colonial administration, Chinese officials seem to have decided that popular pressures in favour of political reform were containable.

The real test of loyalties came in 1989. For a brief period after 4 June, the strength of public opinion was such that even the business elite and

47. The Christian Industrial Committee's Lau Chin-shek. Lo Shiu-hing, *The Politics of Democratization in Hong Kong* (London: Macmillan, 1997), pp. 212–13.

48. See Ming K. Chan, "Democracy derailed: realpolitik in the making of the Hong Kong Basic Law, 1985–90," in Ming K. Chan and David J. Clark (eds.), *The Hong Kong Basic Law. Blueprint for "Stability and Prosperity" under Chinese Sovereignty?* (Hong Kong: Hong Kong University Press, 1991), pp. 7–8.

49. Norman Miners offers a very persuasive account of the Sino-British encounter in "Moves towards representative government 1984–1988," in Kathleen Cheek-Milby and Miron Mushkat (eds.), *Hong Kong. The Challenge of Transformation* (Hong Kong: Centre of Asian Studies, 1989), pp. 24–31.

50. Anthony Cheung Bing-leung, "The transition of bureaucratic authority: the political role of the senior civil service in the post-1997 governance of Hong Kong," in Li, *Political Order and Power Transition in Hong Kong*, p. 98.

China's own mass organizations in the territory supported more rapid progress towards democracy. But the coalition soon crumbled, and the business elite (and the FTU) re-established its alliance with the Chinese government while the "pro-democracy" groups within the community hardened their opposition to the CCP. Similarly, although 4 June caused a serious downturn in external investment in China, Hong Kong businessmen soon recovered their nerve. For the Chinese leadership, the events of 1989 must have seemed ample justification for the United Front policy of co-opting the business elite as the group most likely to provide stable support in times of crisis.

1990–1997. As the colonial administration's reform proposals became more ambitious in the 1990s, Chinese officials responded to the growing importance of the electoral process by mobilizing their own political groups to take part in the polls. Despite their leaders' firm opposition to Western-style democracy and their condemnation of the colonial administration's election arrangements, these officials were anxious to find ways to accommodate the views of Hong Kong.[51] From 1993, they sought to "galvanize the [people of Hong Kong's] support for, and to absorb the elite elements among them into, the PRC's preemptive power organs to manage Hong Kong affairs even ahead of [1997]."[52] Chinese officials appealed to the patriotic and anti-colonial sentiments which, in earlier decades, had rallied large sections of the community to the Chinese government's cause. These efforts to win popular support failed largely because Chinese officials could not adjust their tactics to the Hong Kong environment (including a failure to convert the Mainland's language of propaganda into a political rhetoric acceptable to the Hong Kong electorate[53]). A majority in the community continued to regard the colonial administration with more approval than the Chinese government and its policies towards Hong Kong.[54]

During this period, the Democratic Party (and its predecessor, the UDHK) became the internal "enemy" which the United Front would seek to isolate. As a result, the party's private overtures in early 1990 for some sort of dialogue with Chinese officials were rejected. The party was rebuffed publicly in 1991 when Lu Ping refused to include it in the list of political groups he would meet while visiting the territory.[55] From

51. Steve Tsang, "Realignment of Power: The Politics of Transition and Reform in Hong Kong," in Li Pang-kwong, *Political Order and Power Transition*, p. 48.

52. Chan in Chan, *The Challenge of Hong Kong's Reintegration With China*, p. 2.

53. Suzanne Pepper, "The 1995 Legislative Council Election. China's response in historical perspective," in Kuan *et al.* (eds.), *The 1995 Legislative Council Elections in Hong Kong* (Hong Kong: Hong Kong Institute of Asia-Pacific Studies, 1996), pp. 327–28.

54. The evidence from opinion polls on this subject is summarized in Michael E. DeGolyer, "Public opinion on Hong Kong's transition," in Ian Scott (ed.), *Institutional Change and the Political Transition in Hong Kong* (London: Macmillan, 1998) and Robert T.Y. Chung, "Public opinion in the late transition period," in Cheng and Lo, *From Colony to SAR*.

55. Lee in McMillen and DeGolyer, *One Culture, Many Systems*, p. 78; Frank Ching, "The implementation of the Sino-British Joint Declaration," in Joseph Y.S. Cheng and Paul C.K. Kwong (eds.), *The Other Hong Kong Report 1992* (Hong Kong: Chinese University Press, 1992), p. 86.

1995, the Democratic Party sought to minimize its conflicts with the Chinese government (except on democratic reform), and China's attitude towards it seemed to soften somewhat in 1996. By that stage, however, it would have been political suicide for the party to enter the post-colonial political establishment.[56]

At the same time, Chinese officials sought to woo "pro-democracy" elements by co-opting into the post-colonial elite the leaders of two other "pro-democracy" groups, Meeting Point and the Association for Democracy and People's Livelihood (ADPL). Meeting Point, however, merged with the Democratic Party in 1994, and the nomination of its chairman, Anthony Cheung Bing-Leung, as a Hong Kong Affairs Adviser was revoked. The ADPL believed it could accept co-option into the post-colonial political establishment and maintain its credibility with its constituents, but it was abandoned by the voters in the first post-colonial elections of 1998.

Throughout this period, Chinese officials echoed the complaints from business and professional interests not only about their waning political influence but also about the threat to the capitalist economy from greater welfare spending and "welfare state" government policies.[57] The Chinese government was genuinely concerned that the colonial administration would deplete the territory's financial reserves through expensive infrastructural projects (the new airport in particular) and politically popular social services. In siding with business interests in their opposition to improved social services, Chinese officials not only made it more difficult for their political groups to win popular support, but also risked alienating their numerically important trade union organization. But preservation of the post-colonial administration's financial resources took priority. At the same time, the Chinese government became nervous about the impact of Sino-British disputes over electoral reforms on investment and the financial markets, much as it had been during the Joint Declaration period a decade earlier. Hence, formation of the post-colonial political establishment continued to be dominated by the co-option of the business elite during the 1990s just as it had in the previous decade.

Business and Politics

A notable feature of China's selection process was how receptive the business elite were. Most proved very ready to accept official appointments and honorific titles. Although commercial rivalries created serious

56. Alvin Y. So, *Hong Kong's Embattled Democracy. A Societal Analysis* (Baltimore: Johns Hopkins University Press, 1999), pp. 241–43; Joseph Y.S. Cheng, "Political participation in Hong Kong: trends in the mid-1990s," in Warren I. Cohen and Li Zhao (eds.), *Hong Kong under Chinese Rule. The Economic and Political Implications of Reversion* (Cambridge: Cambridge University Press, 1997), p. 167.

57. E.g. *Wenhui bao*, 4 March 1993; NCNA, 8 March 1994; Sammy W. S. Chiu, "Social welfare," in Nyaw Mee-kau and Li Si-ming (eds.), *The Other Hong Kong Report 1996* (Hong Kong: Chinese University Press, 1996), pp. 431–32.

divisions within the group, they formed a solid consensus opposed to democratic reforms of the territory's political institutions, a view which China's leaders shared. The number of prominent business people willing to jeopardize their standing with the post-colonial rulers by identifying with the United Front's main adversaries (that is, the "pro-democracy" political groupings) seems to have been extremely small.[58] The one group which was prepared to break ranks with the rest of the elite on the question of democracy was the legal profession (barristers in particular), yet lawyers invited to join the post-colonial establishment were generally ready enough to accept. The overall impression is that Chinese officials could co-opt relatively freely from among the business and professional groups which had traditionally dominated the territory's political landscape (apart from some diplomatic hesitations among Chris Patten's Executive Council members).

The basic qualifications. As shown above, the process of selecting the post-colonial elite was closely related to the Basic Law. In addition, there was a clear parallel with the colonial system for co-opting Hong Kong's elite into "the web of interlocking consultative committees which ... represented the most influential strata of society and [formed] the basic structure of political authority in Hong Kong."[59] In consequence, the best qualifications for membership of the post-colonial elite were colonial links and a business or professional background.

The record of past service to the colonial administration was impressive. Overall, 6 per cent of the new elite had served on either the Executive or Legislative Council during the colonial era, 7 per cent had served on a Municipal Council and 33 per cent on a District Board. They also accounted for 10 per cent of the total membership of the colonial network of statutory boards and advisory committees. Some 26 per cent had earned British honours and awards for their public service. Service in the colonial Executive and Legislative Councils proved a better "qualification" than NPC or CPPCC membership in all but two stages of the process. This "pro-colonial" weighting in the selection process is somewhat surprising since NPC and CPPCC members were drawn even more heavily from business and professional groups (75 per cent of their combined total) than was true of the new elite as a whole (62 per cent of the overall total). A possible explanation is that to promote the concept of "Hong Kong people ruling Hong Kong," Chinese officials wanted to avoid any impression that individuals formally involved in China's national political forums would dominate Hong Kong's post-colonial political landscape (see Table 2).

58. The most conspicuous example was Jimmy Lai Chee-ying whose irreverence in his publications outraged Chinese officials.

59. Scott, *Political Change*, p. 40.

Table 2: **Appointees and Their Backgrounds**

	Total Hong Kong membership	*Business and professional*	*Previous Executive/ Legislative Council membership*	*NPC or CPPCC membership*
Hong Kong Affairs Advisers	185	133	41	37
District Affairs Advisers	667	368	13	1
Preliminary Working Committee	37	25	16	14
Preparatory Committee	94	66	29	39
Selection Committee	400	291	60	102
Provisional Legislature	60	37	41	10
Executive Council	11	9	6	0

Notes:
Categories overlap. The figures for Executive Council exclude *ex officio* members.

Political affiliations. Although China had publicly opposed political parties and the "politicization" of Hong Kong, almost half the post-colonial establishment were members of politically active organizations (excluding Communist Party members). The Chinese government allocated a minor role to groups which could claim to be politically independent, and their members constituted only 7 per cent of the post-colonial establishment.[60] The bulk of the politically active – a further 43 per cent – were drawn from nine groups generally identified as "pro-China." They formed a sort of "Maoist class matrix" consisting of four broad categories.

The first was the "proletariat," with 125 members representing two grassroots bodies. Of these, 94 were from the Democratic Alliance for the Betterment of Hong Kong (DAB) whose principal target was the popular vote for directly elected seats in the Legislative Council. Of its representatives, 33 were also members of the FTU, which was its electoral partner. The long-established FTU provided a further 31 representatives. The second category, the "bourgeoisie," had 132 members representing

60. The grassroots Association for Democracy and People's Livelihood provided seven members. The middle-class Liberal Party provided 19 members. The Heung Yee Kuk representing the "rural" New Territories provided 51 members (excluding individuals with membership of the two "pro-China" New Territories organizations).

three middle-class bodies. Of these, 85 were from the Hong Kong Progressive Alliance whose platform was conservative and pro-business. It was virtually indistinguishable from the two other political groups in this category (both of which had been formed by former members of Executive and Legislative Councils): the New Hong Kong Alliance (19 representatives) and the Liberal Democratic Federation (28 representatives). The third category was "rural," with 93 representatives from the once-rural New Territories. Of these, 63 were from the New Territories Association of Societies whose target was the indigenous population of the former agricultural areas. Nine were also members of the Federation for the Stability of Hong Kong, which was more politically aggressive in seeking to mobilize the New Territories. The Federation itself provided a further 30 representatives. The final category, "patriotic," had 112 representatives from China's traditional political establishment in Hong Kong. Of these, 105 were from the Friends of Hong Kong Association, three-quarters of whose representatives were concurrently NPC or CPPCC members. A further seven came from the Hong Kong Chinese Reform Association which was among the oldest political groups in Hong Kong, with the longest record of commitment to the Chinese government and its policies.

Of the nine groups, seven were established after the signing of the Joint Declaration, apparently as a United Front tactic to use a variety of organizations that could target specific interest groups within the community. This multi-party approach in theory also suited the electoral arrangements for the post-colonial Legislative Council which favoured functional constituencies representing mainly specific business and professional interests as well as indirect rather than direct elections.

The Balance Sheet

The United Front strategy which shaped China's formation of the post-colonial establishment produced better economic than political results. It successfully co-opted the business elite, but at a significant political cost, and imposed a structure on political groups which brought few immediate benefits.

Business priorities. China reaped substantial economic dividends from giving priority to business and professional interests. First, the danger of a collapse in investment confidence was averted. Indeed, the post-colonial administration blamed the economic crisis which overtook Hong Kong in 1997 in part on a "bubble economy" made possible by the exuberant investment climate of the 1990s.[61] Secondly, the business elite withdrew its traditional endorsement of the colonial administration and became the most sustained source of opposition to the democratic reforms put forward in the final period of British rule. Thirdly, the predominant share

61. The Chief Executive, C.H. Tung, made this complaint a regular theme in 1998, e.g. Government Information Services, 26 May, 8 October, 7 December 1998.

in the new establishment allocated to the business elite ensured that the post-colonial administration retained a considerable reservoir of experience of government and public service acquired during the colonial era.

But there was a price to pay for assigning such a dominant role to business and professional interests. Ironically, Mao Zedong had been against giving "the national bourgeoisie ... the chief role in state power," as happened in Hong Kong, because "it lacks foresight and sufficient courage and many of its members are afraid of the masses."[62] Hong Kong's business elite felt threatened by democratic reforms and was at odds with the wider community's political aspirations.[63] In consequence, the new political establishment's political endorsement was less helpful to the post-colonial administration than it had been for its predecessor.[64]

Nor did the dominant role of the business elite make the Special Administrative Region's (SAR) administration more effective in managing crises. When acute economic recession overtook Hong Kong in late 1997, the Provisional Legislative Council failed to articulate the mounting distress and disillusionment of the community. Its members were at first complacent about the recession's impact and then confused about its causes and possible remedies.[65] The SAR government displayed a similar initial complacency followed by inactivity and passivity until after the first post-colonial Legislative Council elections in May 1998. Although 37 of the 60 seats in the new legislature went to pro-business candidates and parties regarded as under CCP patronage, pro-democracy candidates won 15 of the 20 directly elected seats and 65 per cent of the total votes cast. With some claim to a popular mandate, the newly-elected Legislative Council immediately challenged the SAR government's economic management, and officials responded with two packages of economic recovery measures within a month of the elections.[66] The elected legislators showed a capacity for spurring the administration into action in contrast to the Provisional Legislative Council which had demonstrated that a retreat from even modest democratic reforms and the return to Hong Kong's traditional elite-dominated politics could not ensure the uninterrupted capitalist growth which both the Chinese leadership and their Hong Kong business supporters had expected.

62. *Selected Works*, Vol. IV, p. 421.

63. "Many business leaders believe that they have the experience and ability to deal with Beijing's appointees, but they lack the confidence to bargain with an elected government." Joseph Y.S. Cheng, "Introduction," in Joseph Y.S. Cheng (ed.), *Hong Kong in Transition* (Hong Kong: Oxford University Press, 1986), p. 21. According to public opinion polls in July and August 1997, a majority still favoured Chris Patten's electoral arrangements over the post-colonial administration's proposals and also supported substantially more directly elected seats. *ACR Opinion Poll, August 26–28, 1997* (Hong Kong: Asian Commercial Research Ltd, 1997), p. 6.

64. In 1998, public satisfaction with the Government's performance dropped to the lowest levels ever recorded. Government Information Services, 3 August 1998.

65. Provisional Legislative Council, *Financial Affairs Panel*, 6 October and 17 November 1997; *Proceedings*, 13 January 1998.

66. Leo F. Goodstadt, "Hong Kong: an attachment to democracy," *The Round Table*, Issue 348 (1998), pp. 486–87.

Multi-party politics. The multi-party structure strengthened the role of the CCP and the Hong Kong Branch of the New China News Agency because only they could provide nine disparate bodies with the co-ordination required to maximize their gains in electoral contests against "pro-democracy" candidates. Initially, at any rate, the multi-party strategy proved counter-productive. The "stars" in the pro-China camp came from the "proletarian" DAB and the FTU and were not in a position to rescue weaker candidates running under "bourgeois" or "rural" labels. This handicap was reduced for the 2000 elections by assigning the DAB the role of "umbrella" for selected candidates from other "pro-China" groups.

Ideologically, the multi-party approach underlined the contrast between Mainland and Hong Kong political practices. The "Maoist class matrix" reflecting Mainland experiences seemed irrelevant to post-industrial Hong Kong. For example, the "rural" sector's representation was totally disproportionate to the minuscule part played by agricultural activities in Hong Kong, though not inappropriate for Mainland cities whose administrative boundaries include significant rural communities.[67] The political reality in Hong Kong was that, regardless of widening disparity in incomes and the social problems created by rapid deindustrialization, the question of democratic reform tended to overwhelm other issues in the 1995 Legislative Council elections.[68] Like the 1991 elections, the 1995 polls resulted overall in a victory for "pro-democracy" candidates and their "anti-Chinese Communist Party" platform, with a similar voting pattern emerging in the first post-colonial elections in 1998.[69]

Conclusions

Reliance on a United Front strategy based on ideological preconceptions derived principally from the Mainland's own experience was part of a general inability among Chinese officials to grasp how Hong Kong had altered, politically as well as economically, since the signing of the Joint Declaration in 1984.[70] China's leaders had wanted to believe that their new Hong Kong political bodies were an "engine" which "mobilized people from all walks of life" forming "a huge social force to maintain Hong Kong's smooth transition."[71] The polling evidence showed, instead,

67. Hong Kong's 1996 Census recorded only 0.2% of the working population as employed in agriculture compared with an average 35% employed in "primary industry" for all China's cities. See State Statistical Bureau, *China Statistical Yearbook 1997* (Beijing: China Statistical Publishing House, 1997), pp. 344, 332.

68. Milan Tung-wen Sum and Timothy Ka-ying Wong, "Priming and election: an analysis of the 1995 Legislative Council election," in Kuan *et al.*, *The 1995 Legislative Council Elections*, p. 185; Leung Sai-wing, "The 'China factors' and voters' choice in the 1995 Legislative Council elections," in *ibid.* pp. 233, 235.

69. Scott, "An overview of the Hong Kong Legislative Council elections of 1991," in Rowena Kwok *et al.* (eds.), *Votes Without Power. The Hong Kong Legislative Council Elections 1991* (Hong Kong: Hong Kong University Press, 1992), pp. 13, 20; David Newman and Alvin Rabushka, *Hong Kong Under Chinese Rule: The First Year* (Stanford: Hoover Institution, 1998), pp. 11–16.

70. See Michael Yahuda, "Catalyst for change? The Hong Kong Special Administrative Region and Chinese politics," in Leung and Cheng, *Hong Kong SAR*, pp. 27–30.

71. Qian Qichen, NCNA, 8 December 1995.

that from the Hong Kong Affairs Advisers to the Provisional Legislature, the building blocks of the post-colonial establishment had failed to establish their credibility with Hong Kong as a whole.[72]

Adherence to a long-term programme focused so firmly on business interests further restricted the scope for adjustment to the political and social changes which were undermining the authority of the business elite and empowering the community at large. During the 1980s, business leaders were so confident that the Chinese government would prevent the introduction of democratic reforms that they did not participate in the evolving electoral system.[73] If they had done so, they might have been less bitterly opposed to reforms in the following decade and thus helped to moderate China's deep suspicions about the impact of democracy on the territory. Furthermore, relatively minor Chinese concessions on the number of directly elected seats for the 1995 elections might have split the "pro-democracy camp" in China's favour.

From China's perspective, nevertheless, the assessment looked more favourable. The Chinese leadership could claim credit for considerable foresight in perceiving how effectively the Basic Law could be used to shape the post-colonial landscape to meet China's priorities. The selection process had created a post-colonial political establishment which switched its loyalty from Britain to China without disrupting the capitalist characteristics of Hong Kong. For the longer term, a new political party system had been created that was specially designed for the restricted electoral environment and the constrained legislature that would emerge under the Basic Law. Above all, China's leaders felt comfortable with their new elite, which would repay this confidence after 1997 by acting as a steadfast source of support for the Chinese government.

72. E.g. Baptist University of Hong Kong, *The Hong Kong Transition Project (May 1998)* and *15 September 1995*; SSRC University of Hong Kong, *Pop Express*, No. 7 (1997).

73. See Cheng in Leung and Cheng, *Hong Kong SAR*, p. 287.