THE HONG KONG SPECIAL ADMINISTRATIVE REGION:

A VIBRANT BUT LOOSELY ORGANISED CIVIL SOCIETY

CIVICUS Civil Society Index Report for
The Hong Kong Special Administrative Region, PRC

HKSAR 2006

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The HKSAR Civil Society Index Research Team:

Mr. Chua Hoi-wai, the Hong Kong Council of Social Service (Project coordinator)
Professor Joseph Chan, Centre for Civil Society and Governance, the University of Hong Kong (Research coordinator)
Dr. Elaine Chan, Centre for Civil Society and Governance, the University of Hong Kong
Dr. Chan Kam-tong, Department of Applied Social Sciences, The Hong Kong Polytechnic University, and
Dr. Chan Kin-man, Department of Sociology, The Chinese University of Hong Kong.

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LIST OF ACRONYMS

CSI	Civil Society Index
CE	Chief Executive
CE survey	Biennial Opinion Survey on Civic Education, 2004
CEDAW	Convention on the Elimination of All Forms of Discrimination Against Women
CHRF	Civil Human Rights Front
CS	civil society
CSO	civil society organisations
CSR	Corporate social responsibility
FSTB	Financial Services and Treasury Bureau
GE	genetically engineered
HKCSS	Hong Kong Council for Social Service
HKFYG	Hong Kong Federation of Youth Groups
HKGCC	Hong Kong General Chamber of Commerce
HKICPA	Hong Kong Institute of Certified Public Accountants
HKSAR	the Hong Kong Special Administrative Region
ICCPR	International Covenant on Civil and Political Rights
ICESCR	International Covenant on Economic, Social and Cultural Rights
IRO	Inland Revenue Ordinance
LegCo	Legislative Council
MRF	medium range forecast
NAG	National Advisory Group
NGO	non-governmental organisation
PRC	People's Republic of China
RAE	resource allocation exercise
SARS	Severe Acute Respiratory Syndrome
SC survey	The survey on the state of social cohesion / Social Cohesion survey
SOCO	Society for Community Organisations
WWF	World Wide Fund
YPTP	Youth Pre-employment Training Programme
YWETS	Youth Work Experience and Training Scheme

EXECUTIVE SUMMARY

Civil Society Index (CSI) is a programme designed by CIVICUS, an international alliance of civil society organisations established in 1993. CSI is a participatory action-research project aiming to assess the state of civil society in countries around the world. This Executive Summary presents the main findings and highlights important implications of the CIVICUS Civil Society Index (CSI) project that was carried out between 2004 and 2005 in Hong Kong.

The project was a collaborative effort among the Hong Kong Council of Social Service, The University of Hong Kong, The Hong Kong Polytechnic University and The Chinese University of Hong Kong. The main objective of the CSI is to identify the strengths and weaknesses of a country's civil society and to suggest the kinds of action needed to further strengthen civil society and its contribution to social change.

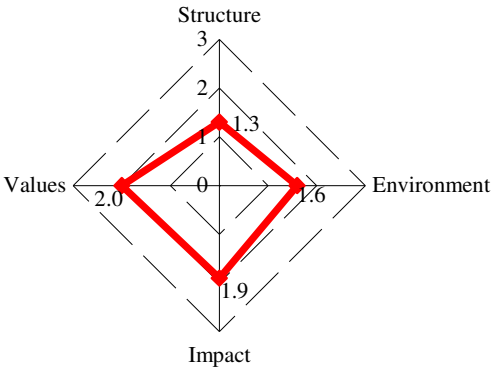
It is hoped that by carrying out the CSI project, interaction and networking among civil society stakeholders can be strengthened, a common understanding of the state of civil society can be reached, and the research ability of supporting organisations can be enhanced. Furthermore, the submission of the Hong Kong Civil Society Index Report to CIVICUS makes it publicly accessible to interested parties around the globe, thereby raising international understanding of the state of civil society in Hong Kong.

Following the CIVICUS definition, civil society is defined as "the arena, outside of the family, the government and the market, where people associate to advance common interests." CSI examines civil society from four dimensions: STRUCTURE, ENVIRONMENT, VALUES and IMPACT. The STRUCTURE dimension is concerned with the internal structure of civil society. The ENVIRONMENT dimension evaluates the political, socio-economic, socio-cultural and legal surroundings in which civil society exists and functions. The VALUES dimension analyses the extent to which civil society practices and promotes values conducive to the growth of civil society. The IMPACT dimension weighs up how energetic and influential civil society is with regard to governance and meeting social needs. Together these four dimensions make up the Civil Society Diamond.

To gauge the four dimensions, the CSI research team in Hong Kong engaged in both primary and secondary research. The following studies have been carried out: a civil society organisation questionnaire survey of over 800 organisations; 28 stakeholder consultations with individuals from fourteen sectors; a media review of two newspapers and one TV news programme; 3 policy impact case studies; and a corporate social responsibility study involving the ten largest listed companies in Hong Kong. The CSI also drew on the results of two territory-wide population surveys.

On the bases of the research results, twelve advisors gathered on 25 March 2006 to score the four dimensions, which can be depicted graphically in the form of a Diamond. The shape of the Civil Society Diamond is depicted in the following figure:

FIGURE 1: Civil Society Diamond for Hong Kong



Major Findings:
Of the four dimensions of the Civil Society Diamond, VALUES (2.0) and IMPACT (1.9) received higher scores than STRUCTURE (1.3) and ENVIRONMENT (1.6).

STRUCTURE is the weakest of the four dimensions of the Hong Kong Civil Society Diamond. Not many citizens join organisations, volunteer in social services or take part in collective community action. At the organisational level, civil society organisations (CSOs) are rather unstructured and many are inadequately resourced.

Overall, the ENVIRONMENT within which civil society exists and functions is neutral with respect to the development of civil society. The socio-economic context and the legal environment rather encourage the growth and operation of civil society. The political context is quite favourable save the restrictions placed on citizens' political rights and the low degree of decentralisation. However, the levels of trust, tolerance and public spiritedness are rather low among members of civil society. Furthermore, civil society's relationship with both the private sector and the government is either aloof or unreceptive. Basic rights and freedom are not too favourable to civil society for information rights are not guaranteed by law and self censorship appears to be threatening press freedom.

The VALUES dimension is an important aspect of Hong Kong civil society. It shows that Hong Kong civil society moderately practices and promotes positive social values. Basically, the values of non-violence, tolerance, poverty eradication, environmental sustainability and gender equity are upheld. Instances of corruption within civil society are rare. However, democratic practices within CSOs, financial transparency of CSOs, as well as action to promote transparency need to be encouraged.

The IMPACT dimension is also considered a stronger feature of Hong Kong civil society. Civil society has been effective in meeting societal needs, particularly those of marginalised groups. It has also done well in responding to social interests, setting public agenda and challenging public policy. Such a positive impact is compromised by civil society's limited effort and ineffectiveness in holding private corporations accountable. In addition, the degree

of influence that CSOs have on social policy and the public budget varies, depending on the types of CSOs as well as the nature of the issue.

Strengths and Weaknesses of the Hong Kong Civil Society:
The strengths of Hong Kong civil society lie in its

- Enthusiasm in advocating ideas and values
- Ability to shape public agenda and challenge public policy, and
- Robustness in responding to societal needs and providing services

Major weaknesses of Hong Kong's civil society can be summed up as follows:
1. Internal to CSOs:

- Low level of donation and volunteering
- Low level of participation in CSOs
- Under-developed institutional structure such as internal democracy and transparency
- Insufficient resources including human, financial, technical and infrastructural

2. Inter-relations among CSOs:

- Few federations or umbrella organisations representing individual CSOs
- Few platforms to promote dialogue among CSOs
- Few civil society support organisations

3. External to CSOs:

- Limited dialogue with the government and erratic participation of CSOs in policy-making
- Financial dependency of some CSOs on the government
- Very limited dialogue or cooperation with the business sector
- Society in general and the business sector in particular lacks a strong sense of corporate social responsibility
- Lack of an up-to-date set of non-profit or charity laws

Overall, Hong Kong civil society can be described as **vibrant but loosely organised**. It is loosely organised because of the low levels of structure as well as communication among CSOs. It is vibrant because it actively strives to respond to social needs and empower minority groups and in the process it enjoys various degrees of success. In addition, it is fairly committed in promoting important social values.

Looking ahead, the near future does not seem to be very promising for it appears that various factors would restrain the further development of civil society. At the individual level, the depth of participation is worrying. At the organisational level, there is a low level of internal democracy, over-dependence on public funding, and inter-organisational cooperation is infrequent. At the sectoral level, mistrust between CSOs on the one hand, and the government as well as the business sector on the other hand, is prevalent. Also, there is a lack of an up-to-date set of non-profit laws. It is possible to address all of the above inhibiting factors, but it will take time and deliberate effort to cultivate an ambience and nurture a habit that enables civil society to grow.

Recommendations:
On 29 April 2006, over sixty civil society actors took part in the Hong Kong Civil Society Workshop. Many suggestions and recommendations were made in the Workshop; they basically centred around five areas:

- *Resources*: Finding funding resources other than the government
- *Common platform*: Establishment and maintenance of dialogue among CSOs
- *Training and retaining CS actors*: Identification of ways to train and motivate CS actors
- *Research and Advocacy*: Strengthening research capacity and formation of advocacy alliances
- *Civic education*: Cultivation of an enabling socio-cultural environment for effective functioning of civil society

The CSI project is arguably the most comprehensive study of the present day civil society in Hong Kong. It affords us a thorough view of the current state of civil society. Hopefully, the Civil Society Workshop represents a first step to engage civil society actors in a common platform and many more dialogues both within the civil society and between the civil society and other sectors will follow.

I THE CSI PROJECT AND ITS METHODOLOGY

1. PROJECT BACKGROUND

The Civil Society Index (CSI) is a programme designed by CIVICUS, an international alliance of civil society organisations established in 1993. The CSI is a participatory action-research aiming to assess the state of civil society in countries around the world. The CSI originated from the *New Civic Atlas*, a publication of CIVICUS that contains profiles of civil society in 60 countries. To improve the cross-country comparability of the state of civil society in the *New Civic Atlas*, Professor Helmut Anheier, the then director of the Centre for Civil Society at the London School of Economics, helped develop the concept of the CSI in 1999. The concept was first tested in 14 countries between 2000 and 2002, and refined subsequently. Since 2003, the project has been carried out in more than 50 counties and cities, including the People's Republic of China (PRC) and Taiwan.

In 2003, the Hong Kong Council of Social Service successfully applied to carry out the CSI project in Hong Kong. It invited scholars from three local universities to work on the project. The CSI research team is made up of:

Mr. Chua Hoi-wai, the Hong Kong Council of Social Service (Project coordinator)
Dr. Joseph Chan, Centre for Civil Society and Governance, the University of Hong Kong (Research coordinator)
Dr. Elaine Chan, Centre for Civil Society and Governance, the University of Hong Kong
Dr. Chan Kam-tong, The Hong Kong Polytechnic University, and
Dr. Chan Kin-man, The Chinese University of Hong Kong.

Most of the CSI research team members attended the CSI workshop in Johannesburg, South Africa in September 2003. Since then the research team met regularly to discuss research results and issues arising from the CSI research.

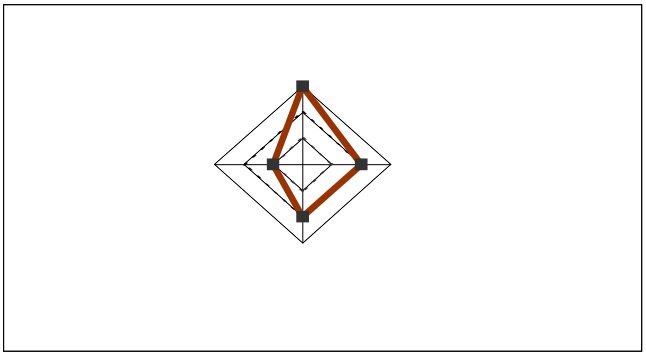
2. PROJECT APPROACH AND METHODOLOGY

The CSI project uses a broad definition of civil society and adopts a wide range of research strategies to capture the state of civil society in which the project is undertaken. The objectives of the CSI are to identify the strengths and weaknesses of a country's civil society and to suggest the kinds of action needed to further strengthen civil society and its contribution to social change. The CSI seeks to measure civil society along four dimensions: the *structure* of civil society, the external *environment* in which civil society operates, the *values* upheld by civil society actors, and the *impact* of activities pursued by civil society actors. Each dimension is further represented by sub-dimensions and indicators. Data is collected for each indicator. On the basis of this data, a National Advisory Group (NAG) is convened to score the sub-dimensions that finally give shape to the four dimensions of civil society, hence the state of civil society in their country. A civil society stakeholder meeting is then assembled to discuss the scores given by the NAG and to identify the strengths and weaknesses and to make recommendations to strengthen civil society. The remaining part of this chapter will describe the CSI conceptual framework, research strategies and assessment methodology.

2.1 Conceptual Framework

2.1.1 Definition of civil society. CIVICUS defines civil society as "the arena, outside of the family, the government and the market, where people associate to advance common interests." CSI examines civil society from four dimensions: structure, environment, values, and impact. These four dimensions form what CIVICUS calls the Civil Society Diamond (see Figure I.2.1). It is important to point out two interesting features of this definition. First, civil society is understood as an "arena" and thus goes beyond the narrow, yet common practice of equating it with formal, institutionalised organisations. Here informal groups are a part of civil society too. Secondly, this definition does not presume an "ideal" civil society because it recognises that there are groups in society that gather to advance negative values. However, the CSI project is by no means value free – it does seek to measure the extent to which civil society practices and promotes certain values such as democracy, tolerance and gender equity.

FIGURE I.2.1: The Civil Society Diamond



2.1.2 Analytical framework of CSI. The four dimensions of civil society – structure, environment, values, and impact – are represented by 25 sub-dimensions which, in turn, are made up of 74 indicators.

The STRUCTURE dimension is concerned with the internal structure of civil society, its make-up, size and composition. It is composed of the following sub-dimensions and has 21 indicators:

1. Breadth of citizen participation
2. Depth of citizen participation
3. Diversity within civil society
4. Levels of organisation
5. Inter-relations
6. Resources

The ENVIRONMENT dimension evaluates the political, socio-economic, socio-cultural and legal surroundings in which civil society exists and functions. It is true that, strictly speaking, a society's environment is not part of its civil society; nonetheless, it is a vital factor influencing the growth or decline of civil society. This dimension has the following 7 sub-dimensions and 23 indicators:

1. Political context
2. Basic freedoms and rights

3. Socio-economic context
4. Socio-cultural context
5. Legal environment
6. State-civil society relations
7. Private sector-civil society relations

The VALUES dimension analyses the extent to which civil society practises and promotes values conducive to the growth of civil society. The CSI recognises that there are different forces within the society; some are more beneficial to the growth of civil society than others. It is therefore important to measure how values are being realised and promoted. This dimension includes the following 7 sub-dimensions and 14 indicators:

1. Democracy
2. Transparency
3. Tolerance
4. Non-violence
5. Gender equity
6. Poverty eradication
7. Environmental sustainability

The fourth and final dimension is IMPACT, which assesses how energetic and powerful civil society is with regard to affecting government policies and influencing people's lives as a whole. It consists of 5 sub-dimensions and 16 indicators:

1. Influencing public policy
2. Holding state and private corporations accountable
3. Responding to social interests
4. Empowering citizens
5. Meeting societal needs

2.2 Research Strategies

This section describes the methods used in investigating the state of civil society in accordance with the conceptual framework described in the last section. It also explains the data collection process in Hong Kong.

2.2.1 Data Collection. A CSI research team collects data on the four dimensions of the Civil Society Diamond. Basic research instruments include:

1. Review of existing information
2. Stakeholder consultations
3. Community survey
4. Media review
5. Fact-finding studies
6. Policy-impact case studies

These research exercises are necessary in order to supply the data for all the 74 indicators upon which the NAG scores the sub-dimensions of the Civil Society Diamond. These research instruments collect both qualitative and quantitative data, thereby allowing a more comprehensive picture of civil society. Moreover, utilising internationally used indices (e.g.

Gini Index, Perception of Corruption Index) or data (World Values Survey) facilitates cross-country comparison.

Since the commencement of the project, a few major research projects have been carried out. These include:

1. Civil society organisations survey (hereafter referred to as the CSO survey).
The survey was conducted in the period from February 2 to June 6, 2005, using a multi-wave, multi-contact approach. Organisations were selected using a stratified sampling method. Of the 1,132 organisations selected, 802 responded, giving a response rate of 70.85%.

2. Civil society stakeholder consultations
Representatives of 28 organisations from all 14 categories of CSOs were interviewed, either individually or in group, depending on the availability of the interviewees.

3. Media review
Two newspapers and one broadcast media were monitored from the periods May 1 to June 30, 2004; and November 1 to December 30, 2004. The two newspapers being reviewed are *Oriental Daily*, which claims to have the biggest circulation and is particularly popular among the working class, as well as *Ming Pao*, which is regarded as the most creditable newspaper and is popular among the middle class. The broadcast media being reviewed is the prime time news bulletin of TVB shown between 18:30 to 19:00 each evening. TVB is the most popular local TV station.

4. Three case studies
Three case studies were carried out: the budgetary process, youth unemployment (a social issue), and the legislation of Article 23 (a human rights issue). In all three cases, both documentary research and interviews were conducted. A total of twenty-one individuals have been interviewed.

5. Corporate social responsibility study
It contains a study of the activities of corporate social responsibility of the 10 largest listed companies in Hong Kong through reviewing their annual reports and related documents.

Apart from these primary researches, the CSI project also utilises results from two door-to-door territory-wide questionnaire surveys. The survey on the state of social cohesion (hereafter referred to as the SC survey) in Hong Kong was carried out in 2003 by the Centre for Civil Society and Governance, the University of Hong Kong, as well as the Biennial Opinion Survey on Civic Education, 2004 (hereafter referred to as the CE survey), conducted by Policy 21 Ltd., and the Centre for Civil Society and Governance, both at the University of Hong Kong.

2.2.2 Data Aggregation. Data gathered from both primary and secondary sources are used to compile a draft Civil Society Index country report. The format of the report follows the CSI civil society conceptual framework, i.e. it is structured along the CSI indicators, sub-dimensions and dimensions. The report serves as the basis for the NAG scoring exercise. In the scoring exercise, each member of the NAG team awards a mark from a low of 0 (most negative) to a high of 3 (most positive) to each CSI indicator. The NAG team is allowed to deliberate their differences, if any, before deciding on their final scores. This arrangement is

modelled along a "citizen jury" approach, in which citizens' decision on a public issue is backed by information and public deliberation.

In the case of Hong Kong, 12 civil society actors in various fields were invited to join the CSI Advisory Group. The names of the advisors and the groups that they represent are listed in Table I.2.1.

TABLE I.2.1: Composition of the Hong Kong CSI Advisory Group

Mr. Darwin Chen	Agency for Volunteer Service
Mr. Albert Lai	Hong Kong People's Council for Sustainable Development
Mr. Michael Lai	St. James' Settlement
Dr. Lam Wai-man	University of Hong Kong
Ms. Esther Leung	The Government of the Hong Kong Special Administrative Region
Mrs. Justina Leung	The Boys' and Girls' Clubs Association of Hong Kong
Mr. Lau Kar Wah	Hong Kong People's Council on Housing Policy
Ms. Mak Yin-ting	The Hong Kong Journalists Association
Mr. Charles Mok	Internet Society, Hong Kong Chapter
Mr. Peter Wong	Deloitte Touche Tohmatsu
Mr. Mathias Woo	Zuni Icosahedron
Ms. Wu Mei-lin	Hong Kong Women Workers' Association

The Advisory Group gathered on March 25, 2006 to assign scores to the Ccivil Society Diamond based on the information that the CSI research team had collected. The scoring procedure adhered to the prescription of CIVICUS. For each indicator, advisors gave marks after they had considered the information provided by the research team. They were then given time to deliberate in cases where there were big discrepancies among the scores. Advisors were then given a second chance to indicate their scores to allow for change of minds. The closest whole number score of each indicator was recorded. Each sub-dimension was calculated by averaging the scores of all its indicators, allowing one decimal place. Each of the four dimensions of the Diamond was in turn calculated by averaging all the sub-dimension scores representing the particular dimension. Together, the four overall scores of the Diamond depict the state of civil society in Hong Kong.

2.3 Linking Research with Action

As an action research, the CSI project aims to involve a wide range of civil society actors to determine and to reflect on the state of civil society and to discuss ways for civil society to develop.

In the spirit of linking the CSI research with action, the Hong Kong CSI research team formed the Advisory Group from early on in the research process. The Advisory Group consisted of a diverse group of advisors who gave advice to the project and were informed of the progress throughout the entire research process.

A more extensive form of civil society involvement can be found in the territory-wide workshop which was held on 29 April 2006. Participants of the workshop included civil society actors, as well as non-civil society actors from the government and the business sector. They gathered to examine the strengths and weaknesses of the current state of civil

society and to identify methods to strengthen civil society. A summary of the recommendations arising from the workshop is presented in Chapter V of this report.

2.4 Project Outputs

The CSI project in Hong Kong has resulted in the following outputs:

- A comprehensive report of the state of civil society in Hong Kong
- The results of the CSI were announced in the inaugural programme of *Civil Society*, a *Radio Hong Kong* programme, in March 2006
- The results were presented at the Symposium on Civic Education, organised by the Committee on the Promotion of Civic Education, the HKSAR government, in June 2006
- The project led to a few additional case studies on the impact of CSOs

The following activities have also been carried out:

- The results of the CSI were presented to the members of the Committee on the Promotion of Civic Education, the HKSAR government in September 2006
- A workshop comparing the state of civil society in Hong Kong, the PRC, and Taiwan took place in November 2006. All three places have completed their CSI projects.

This report has five other chapters. In the next chapter, overviews of historical and conceptual developments of civil society in Hong Kong, as well as its key features, will be discussed. Chapter III contains the main analysis of civil society; it presents the information and research results of the four dimensions of the Civil Society Diamond. Chapter IV analyses the strengths and weaknesses of civil society in Hong Kong. Chapter V summarises suggestions and recommendations from the stakeholder workshop. Chapter VI, the last chapter, recaps the main findings and suggestions of the project.

II CIVIL SOCIETY IN HONG KONG

1. HISTORICAL OVERVIEW OF HONG KONG CIVIL SOCIETY[1]

Hong Kong CSOs have been vital in the development of the community ever since it was ceded to Britain in 1842. Even in the early period of the colony, CSOs were active in the form of welfare organisations and guilds. At the time, basic welfare provision in this small fishing village was chiefly left to Chinese civic groups and religious organisations. Neighbourhood leaders and merchants built temples and shrines; neighbourhood associations (*kaifong*), which were formed to take care of common problems, mushroomed. The opening of the Tung Wah Hospital in 1870 represented a significant step in Chinese civic groups' role in welfare provision, for it would later became the *de facto* centre where key issues of the Chinese community were discussed. The founding of Po Leung Kuk in 1878 was another milestone. Like the Tung Wah Hospital, it was set up and funded by wealthy Chinese merchants. Its mission was to protect and give shelter to women who were abducted and sold into prostitution.

Apart from local groups, religious organisations have also been central welfare providers since the beginning of the colony. It was foreign missionaries who opened the Morrison Education Society School in 1842 and the Ying Wa College in 1843. They also provided medical services to the local community. The Medical Missionary Hospital of Hong Kong was opened in 1843 and was the first hospital to provide Western medicine to local Chinese. The Sisters of St. Paul de Chartres arrived in 1848 and helped take care of foundlings, the sick and the elderly.

In addition to welfare associations and religious organisations, guilds of various trades were set up. Some of them were formed to establish proper business regulations and codes of conduct, others to fight for members' rights and had features of modern trade unions; and there were also those that operated like mutual benefit societies.[2] Guilds were active in promoting and defending members' interests, and would even stage strikes in their pursuit.[3]

Supported by wealthy businessmen and foreign missionaries, the job of welfare provision was mainly left to CSOs until the early 1950s. The end of the civil war in China in 1949 triggered an influx of refugees. The number of refugees was so big that it was almost beyond the means of local CSOs to cater to the needs of these refugees. Funding was therefore sought from developed countries, overseas relief organisations and humanitarian aid agencies.

Rapid urbanisation and industrialisation in the 1970s resulted in an expansion in social welfare provision. The government had not only put in more resources, it had actually become the major financier of housing, health care, education and social services. Although the number of CSOs has ceased to grow, it has not shrunk either. It has remained relatively stable at around 1,600 to 1,700 from the mid-1970s to the early19 90s, thus "the expansion of

[1] For a comprehensive review and study of CSOs in Hong Kong, see a report commissioned by the Central Policy Unit, the HKSAR government (2004), *Study on the Third Sector Landscape in Hong Kong* [Internet]. Hong Kong, Central Policy Unit. Available from: http://www.cpu.gov.hk/english/documents/new/press/3rd_content.pdf.

[2] Faure, David (ed.) (1997) *Society: A Documentary History of Hong Kong*. Hong Kong, The University of Hong Kong Press, p. 78. A list of guilds and the objects of their formation can be found in Table 2.1, p. 80.

[3] *ibid*., pp. 82-3.

the state sector has not replaced, or crowded out, the nonprofit sector."[4] In fact, the government regarded CSOs as partners in service provision in which one provided funds and the other services. It was largely owing to this partnership that the government was able to institute free education to all children aged 6 to 15 in 1970s.

Hong Kong became a relatively prosperous city in the 1980s, so much so that instead of being recipients of overseas aid, as was the case in the 1940s and 1950s, it became a funding source for international CSOs. Amnesty International, Oxfam, the United Nations Children's Fund and others have raised money in Hong Kong for operations elsewhere in the world.

CSOs in sectors other than welfare continued to be dynamic. Social activism was very much alive since the 1950s.[5] For example, the campaign for rent control in the early 1950s sparked widespread opposition across the political spectrum from over 700 organisations and companies, as well as the press. The first campaign for Chinese as an official language that took place from 1964-1971 involved over 330 organisations of a wide variety of backgrounds. In the 1970s, issues such as equal pay for nurses, opposition to telephone rate increases, anti-corruption and many others have also involved a considerable number of civil society groups.

Meanwhile, a sense of belonging to Hong Kong was beginning to take root. Local residents became more conscious of social and environmental issues. CSOs concerned with human rights, sustainable development, environmental protection, women's rights, minorities' rights, consumer rights, and many other self-help groups were established. Most of these groups see their role as educators and service providers, but many of them are also vocal and engage in policy advocacy and stakeholder empowerment.

The political landscape of Hong Kong since the mid-1980s has been rather colourful and vibrant. The Joint Declaration between the PRC and the UK on December 19, 1984 made Hong Kong's reunification with the PRC on July 1, 1997 official. The signing of the Joint Declaration signalled the beginning of the period of political transition. During this period, political groups such as the Meeting Point, the Association of Democracy and People's Livelihood, and the Hong Kong Affairs Society were formed. The year 1991 was the first time in the history of Hong Kong that direct elections took place in the Legislative Council. In that year, 18 out of a total of 59 seats on the Legislative Council were returned by direct elections. This event has prompted the establishment of political parties such as the United Democrats of Hong Kong (which became the Democratic Party of Hong Kong), the Democratic Alliance for the Betterment of Hong Kong, and the Liberal Party. At the same time, the crackdown of the Chinese student movement in Tiananmen Square in 1989 has also had great repercussions on Hong Kong. People came to see the urgent need to protect basic rights and the rule of law, giving rise to CSOs such as the Hong Kong Human Rights Monitor and the Hong Kong Human Rights Commission.

On July 1, 1997, Hong Kong came under Chinese sovereignty and became the Hong Kong Special Administrative Region (HKSAR). Political reunification unfortunately coincided with the Asian financial crisis, from which the Hong Kong community suffered dreadfully.

[4] Lam, Wai-Fung and Perry, James. (2000) "The Role of the Nonprofit Sector in Hong Kong's Development." *Voluntas: International Journal of Voluntary and Nonprofit Organisations*, 11(5), p 368.

[5] The examples are drawn from a historical account of social and political activism from 1949-1979 given in Lam, Wai-man. (2004) *Understanding the Political Culture of Hong Kong: The Paradox of Activism and Depoliticization*. Armonk, New York and London, England, M.E. Sharpe.

Faced with decreased revenue, the HKSAR government was forced to reduce its funding of various services. In 1999 the government changed its welfare funding policy and formula. The operation of the new system is akin to the market mechanism that emphasises efficiency and flexibility. It also allows profit-making companies to compete with non-profit making organisations in bidding for provision of public services. This new system encountered considerable opposition from traditional welfare NGOs and as a result has gravely strained the relationship between NPOs and the government.

Like the welfare sector, the government had to deal with increasing challenges from society on the political front. Political awareness of Hong Kong society rose as Hong Kong entered the transition period in the mid 1980s. By the time of the reunification with the PRC, the people of Hong Kong were already fairly conscious of their rights and freedoms. Moreover, on various occasions society has shown its willingness to take action to protect such rights and freedoms were they under threat. After 1997 as society was enduring the pains of economic downturn, the government stumbled over a series of policy blunders. The government was thus widely perceived to be ineffective and clueless in leading society. Many CSOs became active in the quest for universal suffrage and political accountability[6] . The mass media, professional organisations, human rights groups, political parties, and even organisations with a religious background (mainly the Catholic and Protestant churches) have all been instrumental and provided leadership in this endeavour. A by-product of this enterprise is the bringing together of CSOs as they collaborated in various actions.

Heightened political consciousness spread to concern over other issues as well. In recent years, CSOs individually and collectively worked on environmental sustainability, harbour protection as well as cultural preservation and development. CSOs might only have been successful in various degrees in the attainment of their objectives, but they have unmistakably been successful in public education and raising consciousness.

In short, CSOs continue to play an essential part in social service provision from the colonial time up until the present day. The role of the government has, however, changed from being marginal to being the main financier of social services as Hong Kong's economy developed. Unfortunately, greater governmental involvement was accompanied by deterioration in the government's relations with CSOs. The partnership relationship that was developed in the early colonial days has given way to an uneasy, if not distrustful, relationship after 1997. Nevertheless, it should be noted that the government has been friendly to other CSOs, especially those that it deems to be contributing to the economy of Hong Kong such as the Chamber of Commerce.

2. OVERVIEW OF THE CONCEPT OF CIVIL SOCIETY IN HONG KONG

The term "civil society" is only beginning to establish itself in the language repertoire of Hong Kong society. Until recently the term was foreign even to civil society actors, with the exception of, perhaps, the welfare sector. In the past, CSOs were synonymous with voluntary agencies or associations, and then in the 1960s and 1970s, the term non-governmental organisation (NGO) gained currency. The term CSO is only gradually finding its way into the public discourse. It appears that newspaper commentaries are using the term more frequently nowadays. Nonetheless, when the term is used it refers predominantly to welfare

[6] The chief executive of HKSAR (the head of the HKSAR government) is not elected by universal suffrage and only half of the legislative council members are returned by universal suffrage.

NGOs and advocacy groups, other CSOs such as professional organisations, religious groups, cultural and recreational clubs, organisations of different trades, and neighbourhood associations, etc. are to a large extent excluded from the common understanding of the term.

There is an encouraging development of civil society in Hong Kong lately, for a new political party, the Civic Party, is about to be formed. It hails the promotion of civil society. It claims to be committed to building strong partnerships with civil society groups and supporting civic participation at the community level. In addition, it is in the party's plan to provide a platform for exchange and sharing among civil society groups. This new party is the first party in Hong Kong that makes the promotion of civil society its chief goal. Whether or not this goal will be achieved remains to be seen.

The Civil Society Index research team decided to adopt the broader definition of civil society used by CIVICUS, namely "the arena, outside of the family, the government, and the market where people associate to advance common interests." The research team believed that the broader definition is a rather accurate portrayal of the situation of civil society in Hong Kong.

3. KEY DISTINGUISHING FEATURES OF THE HONG KONG CONTEXT

There are a few distinguishing features of Hong Kong that have particular impact on civil society. First and foremost, Hong Kong is, as one scholar calls it, a "residual welfare state."[7] The government began to get more and more involved in social service provision in the 1970s in the wake of two riots that took place in 1966 and 1967, and as economic growth and industrialisation brought in more revenue. It is "residual" in the sense that funding for social services is contingent upon the amount of revenue collected each year. The government has not developed a plan to institutionalise welfare provision through a more regular income generating system such as social insurance. Funding for social welfare usually decreases when there is a downturn in the economy, thus greatly affecting the work of welfare CSOs. This may have a destabilising effect on society because welfare provision shrinks just when the need is keen.

Secondly, as the government is the major financier of social services (the majority of education and welfare CSOs receive funding from the government), it is able to exert a certain level of control over CSOs. Nonetheless, since the government has neither the expertise nor the institutional capacity to provide all services, it depends on CSOs to continue their services. CSOs are therefore able to maintain a fairly high degree of autonomy.

Thirdly, the development of a sense of community and belonging to Hong Kong gave rise to the vision of a just society in the 1970s. Some social workers and activists of CSOs began to lead in the empowerment of workers and minority groups in order to advance social justice. This turns out to be a training ground for future political leaders, for quite a few of the activists went on to become elected legislative councillors. The sense of community and belonging also helped cultivate a vision of good community, thus facilitating the emergence of CSOs focusing on the environment and culture.

Fourthly, the quest for universal suffrage in the election of the chief executive and the entire legislature has grown to be a hotly contested ground that gave rise to the formation of new

[7] Lee, Eliza W.Y. (2005) "Nonprofit development in Hong Kong: The case of a statist-corporatist regime." *Voluntas: International Journal of Voluntary and Nonprofit Organisations*, 16(1) March, p. 60.

CSOs and fostered collaboration among CSOs across different fields. The Basic Law of Hong Kong prescribes gradual implementation of universal suffrage. Increased political consciousness coupled with declining confidence in the government has intensified the quest for a faster pace of democratisation. The quest proved to be strong enough for CSOs to mobilise a number of massive political marches.

III ANALYSIS OF CIVIL SOCIETY

1. STRUCTURE

This section aims to analyse the extent and the depth of citizen participation in civil society, the diversity of civil society participants, as well as the structure, effectiveness, cooperation, and resources of civil society organisations. The score for the STRUCTURE dimension is 1.3, indicating that the structure of Hong Kong's civil society is weak.

Civil society's structure is:

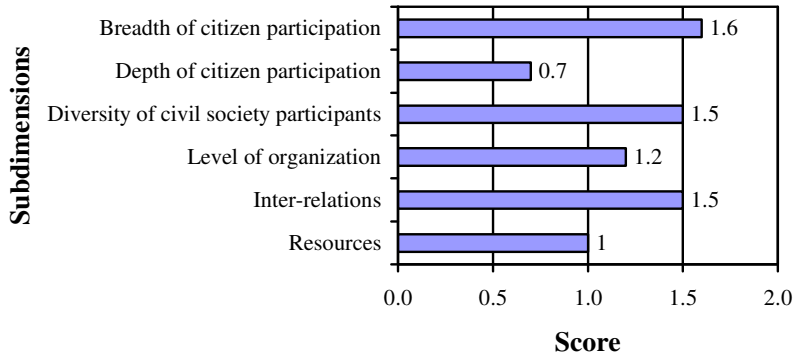
(1.3)

0----------1-----♦----------2----------3

Very weak Weak Quite strong Strong

There are five subdimensions under STRUCTURE. The subdimension scores are summarised in Figure III.1.1.

FIGURE III.1.1: Subdimension Scores for STRUCTURE



1.1 Breadth of Citizen Participation

This subdimension examines how widely society takes part in civil society activities. Table III.1.1 summarises the respective indicator scores.

Table III.1.1: Indicators assessing the extent of citizen participation

Ref. #	Indicators	Score
1.1.1	Non-partisan political action	2
1.1.2	Charitable giving	3
1.1.3	CSO membership	1
1.1.4	Volunteering	1
1.1.5	Collective community action	1
Note: Extremely limited(0)---limited(1)---medium(2)---large(3)		1.6

1.1.1 Non-partisan political action. Non-partisan forms of political action are not new to the people of Hong Kong. Signing petitions and joining demonstrations are common means of public expression. Large-scale demonstrations are not frequent, although on July 1, 2003, over half-a-million individuals were reported to have taken to the streets in a peaceful demonstration against the government's decision on the legislation of Article 23 of the Basic Law, Hong Kong's mini-constitution (please refer to para. 3.2.2.1 for details of this Article). Two other rallies calling for universal suffrage in the selection of the Chief Executive (the head of the Hong Kong government) took place later in the same year; each consisting of tens of thousands of people. On December 4, 2005, it was reported that between 81,000 and 98,000 individuals marched in the name of democracy (HKUPOP).

The Social Cohesion survey (hereafter referred to as SC survey) found that 34.2% of respondents claimed to have taken part in demonstrations, rallies, or signed petitions in the previous year. Among them, 85.6% participated in at least one to three events.

1.1.2 Charitable giving. A survey carried out by the Hong Kong Federation of Youth Groups[8] (HKFYG) revealed that 92.7% of the sample (aged 15 or above) had made monetary donations at least once during the one-year period preceding the survey. Of this figure, 30.0% donated to charities as well as directly to the needy, and 62.7% donated only through charitable organisations but not directly. The survey also studied donations of other items; in particular, 92.9% of the same sample had donated clothes during the year, while the figure for blood donation was 8.2%.

In terms of monetary donations to charitable organisations, the figure reported by the SC survey and the CE survey was similar; about 60% of respondents aged 18 and above said they had donated money in the past year.[9]

1.1.3 CSO membership. The SC survey found that 42.4% of respondents aged 18 and above belonged to at least one organisation.

1.1.4 Volunteering. According to a survey conducted by Chung et al.,[10] 22.4% of the sample aged 15 or above had participated in organised volunteering (donation excluded); the figure for mutual aid (i.e. non-organised volunteering) was 55.3%. Overall, 62% of the sample had participated in at least one of the two forms of volunteering.

The SC survey found that one out of five respondents (20.4%) purported to have taken part in organised volunteering in the past year.[11] As to mutual aid concerning friends and neighbours, 70.8% lent emotional support, 40.6% helped with domestic work, and 26.9% offered financial assistance.

[8] The Hongkong Federation of Youth Groups. (2002) *A Study on Social Capital with regard to Giving, Volunteering and Participation*. HongKong Federation of Youth Groups: Youth Study Series No. 26, p. 20 (in Chinese)

[9] The discrepancy between the findings of the two surveys and that of the HKFYG (92.7%) may be due to a narrower definition of donations adopted by the SC and CE surveys. The two surveys excluded the 15 to 17 age group, people who made direct donations, as well as people who donated causally through the sale of "flags" on the streets.

[10] Chung, Robert Ting-yiu; Pang Ka-lai Karie and Law, Wai-yan Candy. (2002) *Study on Public's Reception and Perception of Volunteer Services*. Public Opinion Programme, The University of Hong Kong.

[11] The CE survey reported that 24.6% of respondents had volunteered in the past.

The Advisory Group adopted a narrow definition of volunteering and considered data of organised volunteering only because they felt that the definition of mutual aid activities was too loose and such activities involved lending help to people that one knows, thus the nature deviated somewhat from organised volunteering. On the basis of this understanding, a score of "1" was awarded.

1.1.5 Collective community action. The Civic Education (CE) survey revealed that 42.7% of respondents have, in the last year, participated in at least one of the events organised by groups such as mutual-aid committees, neighbourhood associations, labour unions, professional associations, business chambers, religious organisations, parent-teacher associations, alumni or education related groups, cultural and recreational associations, social services organisations, pressure groups and political parties.

1.2 Depth of Citizen Participation

This subdimension looks at how deeply society is involved in civil society activities. Table III.1.2 summarises the respective indicator scores.

TABLE III.1.2: Indicators assessing depth of citizen participation

Ref. #	Indicators	Score
1.2.1	Charitable Giving	0
1.2.2	Volunteering	1
1.2.3	CSO membership	1
Note: Insignificant(0)---limited(1)---moderate(2)---significant(3)		0.7

1.2.1 Charitable giving. We do not have the figure on charitable giving as a percentage of an individual's income. However, judging from the information as well as estimates calculated from the information, the percentage would be quite minimal (less than 1% of monthly personal income). The HKFYG survey[12] revealed that, among those (aged 15 or above) who had made donations during the year, the average amount of contributions was $827 per person per year. (Note: only "indirect donations" were included, i.e. donations made through some organisations or charities.) However, upon further analysis, the median contribution is $297, indicating that there is heavy concentration on "small" donations, making the median skewed towards a figure lower than the mean. In fact, 78.4% of all the donations were made by 25% of the respondents. This finding is supported by the SC survey, which shows that among those who made indirect donations, 40.5% had contributed less than $100.

Given that the median monthly income in 2001 was $10,000,[13] the estimated charitable donations as a percentage of one's income is 0.25% per year.[14] According to the Inland Revenue Department, the amount of charitable donations that were exempted from Profits Tax and Salaries Tax in 2002/03 were HK$0.64 billion and HK$2.35 billion respectively.[15]

[12] The Hong Kong Federation of Youth Groups, *A Study on Social Capital with Regard to Giving, Volunteering and Participation, op. cit.* p. 25.
[13] Census and Statistics Department, HKSAR government. (2001) *Key Statistics of the 2001 Population Census* [Internet]. Hong Kong, Census and Statistics Department. Available from: <http://www.censtatd.gov.hk/major_projects/2001_population_census/key_statistics_of_the_2001_population_census/index.jsp>.
[14] The figure is arrived at by: ($297/$120,000)*100%
[15] Inland Revenue Department, HKSAR government. (2005) *Annual Report 2003-2004* [Internet]. Hong Kong, Inland Revenue Department. Available from: <http://www.ird.gov.hk/eng/pdf/a04_mis.pdf>

We do not know the percentage of the population that gives regularly, but the amount of recognised charitable donations exempted from salaries tax as a percentage of GDP actually increased from about 0.12% in 1997/98 to about 0.18% in 2002/03. The figures reported by international CSOs are quite consistent with the above. Oxfam Hong Kong reported that in the year 2004-5, regular donations amounted to HK$80,551,000, making up 63% of the donations from the local community or 58.8% of the organisations' annual income. It is a fairly respectable increase from the previous year in which total regular donations added up to HK$70,079,000, representing 50.9% of its total annual income.[16]

1.2.2 Volunteering. We do not have the figures for the average number of hours volunteers devote to volunteer work each month. From the information that we do have, it is estimated that it would be around 3-5 hours per month. According to the HKFYG survey,[17] the average (mean) amount of time devoted to volunteering (among those who had participated in organised voluntary work) was 60 hours in a year or 5 hours per month. Out of these 60 hours, 51 hours were coordinated through the social service groups/organisations. The median was 20 hours. It is also noteworthy that 79.8% of the total hours were contributed by the most active quartile (25%) of the volunteers. Hence participation, even among the volunteers, was rather uneven.

The survey by Chung et al.[18] found that the average (mean) amount of time spent on organised volunteering was 34.8 hours per year (median: 12 hours per year). The figure for mutual aid was 21.9 hours per year (median: 3 hours per year).

The Social Welfare Department of the HKSAR government reported that by the end of March 2005, there were 474,088 individuals and 1,270 organisations signing up for volunteer services and together they have delivered over 10 million hours of volunteer service a year.[19]

1.2.3 CSO membership. Based on the data provided by the SC survey, it is estimated that 33.3% of CSO members belong to more than one CSO.[20]

1.3 Diversity of Civil Society Participants

This subdimension assesses how inclusive civil society groups are and how widely the various groups are represented in CSO leadership positions. Table III.1.3 summarises the respective indicator scores.

[16] Regular donations are worked out by adding regular monthly donations to Oxfam partners, Oxfam China partners, Oxfam Education partners, and Oxfam Africa partners. Figures can be obtained from Oxfam Hong Kong, *Annual Review 2004-2005* [Internet]. Hong Kong, Oxfam Hong Kong. Available from: <http://www.oxfam.org.hk/fs/view/downloadables/pdf/annual-review/2004AR27-32.pdf>.

[17] The Hongkong Federation of Youth Groups, *A Study on Social Capital with Regard to Giving, Volunteering and Participation, op. cit.* pp. 40-41.

[18] Chung Ting-yiu Robert et al. *Study on Public's Reception and Perception of Volunteer Services, op. cit.* p. 59 and p. 63 respectively.

[19] Social Welfare Department, HKSAR Government (2005), *Annual Report 2003-2004* [Internet]. Hong Kong, Social Welfare Department. Available from: <http://www.swd.gov.hk/doc.annreport/0304annrepe.pdf>

[20] The SC survey reported that 42.4% of the respondents aged 18 and above belonged to at least one organisation and 14.1% belonged to two or more organisations. Thus, the percentage of CSO members belonging to two or more organisations is calculated from dividing 14.1% by 42.4%, i.e. 33.3%.

Table III.1.3: Indicators assessing diversity of civil society participants[21]

Ref. #	Indicators	Score
1.3.1	CSO membership	2
1.3.2	CSO leadership	1
Note: Very narrow range of soc groups(0)—some group(1)---almost all groups but not equitable(2)---all groups quite equitable(3)		1.5

1.3.1 CSO membership. According to a study of the landscape of CSOs,[22] non-profit organisations in Hong Kong can basically be classified into the following 14 categories:

1. Arts and culture
2. Sports
3. Education and research
4. Health services
5. Welfare services
6. Environment
7. Civic and advocacy
8. Politics
9. Law and legal services
10. Philanthropic and intermediaries
11. International and cross-boundary
12. Religion
13. District and community-based
14. Professional, industry, business and trade unions.

Roughly speaking, the missions and core values championed by these organisations can be grouped as: charity and/or service oriented; ideological, community-based; interest-based or issue-based; trade/industry oriented; as well as faith-based.

Participants in the NAG meeting basically agreed that CSOs represent most social groups in society. However, they did not think that CSOs "equitably" represent all social groups, which would be the criterion of the CSI to achieve a score of 3.

1.3.2 CSO leadership. The background of CSO leaders appears to vary little. According to a study,[23] most of the members of the Board of Directors in subvented NGOs (NGOs funded by the government) in Hong Kong are professionals and college educated.

It appears that even civil society stakeholders are uncertain about the representation of social groups in various CSO leadership positions. Consistently, between 31% and 43% of the

[21] Indicator 1.3.3 "Distribution of CSOs" is not scored because the indicator mainly concerns the geographical distribution/concentration of CSOs. As Hong Kong is a small city, this aspect is irrelevant.

[22] The study was commissioned by the Central Policy Unit of the Hong Kong government. The classification of non-profit organisations of the study was based on the Johns Hopkins University scheme, but adapted to suit the local situation. See Central Policy Unit, HKSAR Government. (2004) *Study of the Third Sector Landscape in Hong Kong* [Internet]. Hong Kong, Central Policy Unit. Available from: <(http://www.cpu.gov.hk/english/documents/new/press/3rd_content.pdf>. Our CSO study adopted the scheme used by the Central Policy Unit.

[23] Chan, Kam-tong, et al.. (2002) *Survey of the Board of Directors of Subvented Non-governmental Organisations in Hong Kong*. Hong Kong, Hong Kong Social Welfare Department.

respondents in the CSO survey said they were uncertain or they did not know.[24] In general, close to six out of ten respondents of the survey believed that the "upper class/elite" (61.4%) and "women" (56.7%) were equitably represented as leaders of CSOs, but only about one in four thought that "ethnic/linguistic minorities" (28.8%) and the rural population (25.8%) were equitably represented as leaders. Similarly, less than half of the respondents saw religious minority groups (44.0%) and the poor (39.8%) as equitably represented as leaders. On the other hand, 31.6% of the respondents believed that "ethnic/linguistic minorities" were under-represented or excluded from the leadership positions of CSOs, and the corresponding figures for other groups were: "women" (19.1%), "rural population" (31.1%), "religious minority groups" (19.0%), and "the poor" (28.1%). The findings of the CSO survey therefore appear to be in line with the situation of subvented NGOs as reported in the last paragraph – the better off are more likely to be in CSO leadership positions.

1.4 Level of Organisation

This subdimension is concerned with the organisation of CSOs, including the existence of umbrella bodies, support infrastructure and international linkages. Table III.1.4 summarises the respective indicator scores.

TABLE III.1.4: Indicators assessing level of organisation

Ref. #	Indicators	Score
1.4.1	Existence of CSO umbrella bodies	0
1.4.2	Effectiveness of CSO umbrella bodies	2
1.4.3	Self-regulation	1
1.4.4	Support infrastructure	1
1.4.5	International linkages	2
Note: Unorganised(0)---not very organised(1)---quite organised(2)—highly organised(3)		1.2

1.4.1 Existence of CSO federations. Information on the percentage of CSOs being members of federations or umbrella bodies of related organisations is not available. There are a few such federations of respectable size, such as the Hong Kong Council of Social Service (consisting of 314 organisations),[25] and the Hong Kong Federation of Trade Unions (claiming about 200 member organisations and 300,000 individual members).[26] There are others of smaller sizes, like the Hong Kong Women's Coalition on Equal Opportunities (made up of 12 women's CSOs),[27] and the Global Network, comprising over 20 trade unions, grass roots groups, youth groups, etc.[28]

These federations or umbrella bodies do not seem to play a very significant role in the operation of CSOs in Hong Kong. Over half of the respondents (55%) in the CSO survey

[24] The only exception was views about women's representation in CSO's leadership positions, but still, 24.2% offered the "Uncertain/Don't know" answer.

[25] As of October 2005 (See the website of The Hong Kong Council of Social Service at <http://www.hkcss.org.hk/>). Its member organisations cover 90% of social service offered by social welfare NGOs in Hong Kong.

[26] See the website of the Hong Kong Federation of Trade Unions at http://www.ftu.org.hk/index1.htm

[27] The group advocates gender mainstreaming and works closely with the Equal Opportunities Commission, which is a statutory body that promotes equal opportunities in society. See the website of the Association for the Advancement of Feminism at <http://www.aaf.org.hk>.

[28] It advocates the legislation of minimum wage and maximum work hours, as well as a reduction of public expenditure and contracting-out of public services. See its website at <http://www.globalnetwork.org.hk>.

were unable to tell the percentage of organisations being members of federations or umbrella bodies in the sector they claimed to know best. Only 19.1% of the respondents in the survey estimated that at least 40% of the sector of civil society they knew best belonged to a federation or umbrella body. Furthermore, 7.8% of the respondents estimated that less than 20% of organisations were members of a federation and 18.0% reckoned that the portion was between 20% and 40%.

1.4.2 Effectiveness of CSO federations. About a quarter (23.4%) of the respondents in the CSO survey considered CSO federations or umbrella bodies to be generally effective in achieving their defined goals, and only a very small minority thought that they were largely ineffective (4.3%) or completely ineffective (1.4%). However, it should be noted that almost half the respondents were uncertain of the effectiveness of these bodies (47.1%).

1.4.3 Self-regulation. A substantial portion of CSOs has already had a system of self-regulation or a collective code of conduct in place. Only 3.5% of the respondents in the CSO survey maintained that there had not been any attempt to devise such regulations. Among the 41.5% who asserted the existence of self-regulation mechanisms, 14.3% opined that the mechanism was functioning effectively. However, half of the respondents (49.1%) were unsure about the existence of self-regulation mechanisms in CSOs.

CSOs belonging to the welfare sector and the education sector abide by their sectors' codes of conduct. Most professional organisations have instituted their own codes of conduct. Examples of these organisations include the Hong Kong Institute of Certified Public Accountants, the Hong Kong Medical Association, the Hong Kong Bar Association, the Hong Kong Institute of Architects, the Hong Kong Institute of Planners, and the Hong Kong Institute of Surveyors. Furthermore, the Hong Kong Council of Social Service has recently launched the Pledge on Donor's Rights,[29] with around 100 CSOs already signed up or about to sign up.

This indicator receives a score of 1 from the Advisory Group in the scoring meeting primarily because it was pointed out that welfare, education and professional CSOs make up only a portion of all CSOs and that small CSOs usually are not conscious of self regulation and, even when they are, it is loosely enforced.

1.4.4 Support infrastructure. CSO infrastructural support organisations per se are neither common nor popular in Hong Kong. A few support organisations used to be active (e.g. the Creative Initiative whose aim was to provide a platform for CSOs to cooperate and carry out research) but for various reasons have ceased to operate in recent years.

Instead, the provision of infrastructural support for civil society is taken up by large CSOs. Umbrella organisations such as the Hong Kong Council of Social Services and the Federation of Trade Unions provide training and sharing sessions to members and the community. Likewise, CSOs of respectable size like Oxfam also provide infrastructural support. In addition, there are foundations that provide monetary support to a wide spectrum of CSOs; the most well known of them include the Community Chest and the Hong Kong Jockey Club.

[29] The pledge basically makes explicit the rights of the donors such as knowledge of the intended use of donations, the access to the auditor's report, legal use of donations, etc. Please refer to the following website for the pledge: http://www.hkcss.org.hk/rdf/df_e.htm

Reflecting this state of affairs, most of the respondents of the CSO survey believed that CSO support infrastructure was only limited (44.6%) or even close to non-existent (14.3%). Respondents who thought support was plentiful (2.3%) or adequate (22.1%) were in the minority.

1.4.5 International linkages. In spite of the lack of official figures, international linkage of local CSOs appears quite prominent. The respondents of the CSO survey estimated that some (43.4%) or many (6.3%) CSOs in the sector they were most familiar with were members of certain kinds of international CSO networks, as opposed to 19.8% who said very few and 3.9% who said none. A similar proportion of these CSOs were thought to participate in some (42.7%) or quite a lot of (6.0%) of events organised by international CSOs, compared to 21.5% that seldom participated and 4.4% that basically shied away from participation.

1.5 Inter-Relations within Civil Society

This subdimension assesses the relationship among CSOs. Table III.1.5 summarises the respective indicator scores.

TABLE III.1.5: Indicators assessing inter-relations within civil society

Ref. #	Indicators	Score
1.5.1	Communication between CSOs	1
1.5.2	Cooperation between CSOs	2
Note: Weak(0)---quite weak(1)---quite strong(2)---strong(3)		1.5

1.5.1 Communication between CSOs. Nearly half of the respondents in the CSO survey indicated that the level of communication (including the exchange of information) among civil society actors in the sector of civil society they knew best was moderate (46.4%), and 9.1% of respondents put the level of communication at a significant level. About one out of four respondents (26.1%) rated the level of communication to be limited and a considerable portion (7.1%) thought that communication was minimal. A further 11.3% of the respondents were unable to assess the extent of communications.

Despite the findings of the CSO survey, NAG members thought that across sectors communication among CS actors should also be considered. It was generally thought that such cross-sectoral communication was only limited.

1.5.2 Cooperation between CSOs. Over three-quarters of the respondents in the CSO survey (77.4%) indicated that CSOs from different sectors did form alliances or coalitions on issues of common concern. Among them, 5.3% thought such cooperation to be frequent, 45.1%, sometimes, and 27.0%, once in a while. The respondents listed over 180 events involving cooperation among different CSOs.

The case study of the legislation of Article 23 documents a concerted effort among various CSOs in opposing the legislation.[30] An alliance that consists of about 50 CSOs, the Civil Human Rights Front (CHRF), was formed. However, the case study also reveals that cooperation of CSOs was rather loose, and that CHRF, despite being the organiser of the

[30] Please refer to the section on human rights policy (para 4.1.1, p 54) under the Impact section for a more detail discussion of the Article 23 case.

massive July 1 demonstrations, was more an administrator than a mobiliser of the demonstration. The sustainability of CHRF remains to be seen. There are a few other alliances formed recently by CSOs. The Citizen Envisioning @ Harbour stands out in particular because it claims to be the first ever attempt in Hong Kong to foster civil society partnership in the building of the Victoria Harbour. It appears that an emerging trend is for CSOs to form alliances on a single issue. However, it is still too early to evaluate the effectiveness and sustainability of these alliances.

1.6 Civil Society Resources

This subdimension examines how resourceful CSOs are. Table III.1.6 summarises the respective indicator scores.

TABLE III.1.6: Indicators assessing civil society resources

Ref. #	Indicators	Score
1.6.1	Financial resources	1
1.6.2	Human resources	1
1.6.3	Technical and infrastructural resources	1
Note: Poorly resourced(0)---quite poorly(1)---quite well(2)---well resourced(3)		1.0

1.6.1 Financial resources. Respondents of the CSO survey named a total of 2,147 organisations they purported to know best. However, they were only able to identify the source of revenue of less than half of these organisations (47%). Among the organisations in which revenue sources could be made out, individual donations constituted the biggest share of income (35.6%), followed by membership fees (20.4%), government subsidies (14.5%), and services/sales (13.0%). Comparatively, foreign donations (7.2%) and commercial sponsorship (5.2%) played a lesser role.

Furthermore, 47.0% of the respondents believed that CSOs had sufficient financial resources to accomplish their goals, as opposed to 21.6% who thought otherwise and 31.4% who simply did not know.

The picture looks rather ambiguous, for income sources of over half (53%) of these organisations in the CSO survey could not be identified, and a substantial portion of the respondents (31.4%) were not sure if these organisations had sufficient financial resources to achieve their goals.

It has been pointed out in the Advisory Group meeting that resources vary greatly across different sectors of CSOs. While professional groups may have sufficient resources to achieve their goals, welfare organisations may just manage to accomplish their tasks, and arts and culture groups struggle to make means meet. Cutting resources and changing public funding formulae in recent years make the situation even harder for many CSOs.

1.6.2 Human resources. Most respondents of the CSO survey were confident that CSO staff were equipped with the necessary skills (58.3%), 3.9% thought that the skills were inadequate and 37.9% were not certain about the situation.

Despite the positive result from the CSO survey, the Advisory Group thought that CSOs have inadequate human resources. Many CSOs have faced difficult times in the past few years due to the Asian financial crisis and cuts in government funding. Employees of many CSOs felt

over-burdened because they had to take up the work of ex-colleagues who vacated the job. Moreover, the advisors believed that the CSO survey result might have been biased because the person who supplied the information (usually in a management position) was asked to evaluate his/her own organisation.

1.6.3 Technological and infrastructural resources. As far as organisations' facilities and infrastructures were concerned, over half of the respondents (54.1%) believed that they were adequate enough to allow the organisations to achieve their goals, while 8.7% thought that they were inadequate and 37.2% were not sure. Similar to the reason given to the adequacy of human resources, the Advisory Group thought that CSOs do not have adequate technological and infrastructural resources.

Conclusion

Generally speaking, the structure of HK's civil society is fairly weak. This is particularly so with respect to the depth of participation and resources. Our findings indicate that charitable giving, volunteering and CSO membership are all judged to be fairly low. CSOs are seen to be inadequately resourced. In addition, the scarcity of umbrella organisations is a matter of concern.

2. ENVIRONMENT

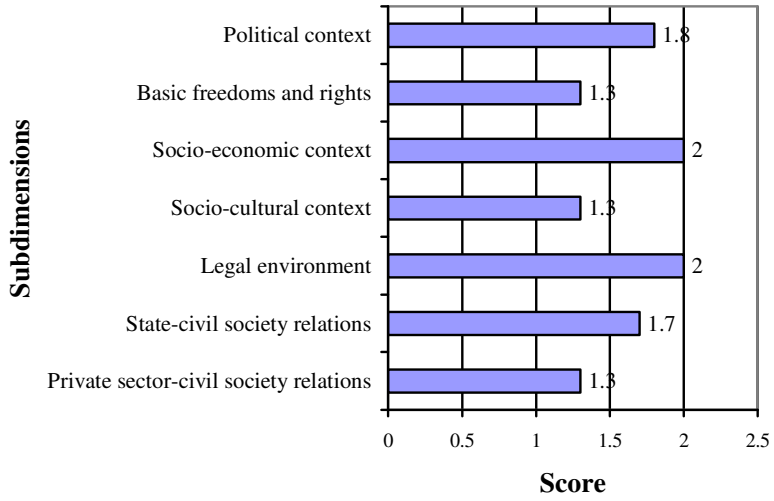
The ENVIRONMENT dimension of the Civil Society Index captures the extent to which the environment facilitates the operation and development of civil society. It has seven subdimensions representing the political context, basic freedoms and rights, the socio-economic context, the socio-cultural context, the legal environment, state-civil society relations, and private sector-civil society relations.

The score given to the ENVIRONMENT dimension is 1.6, indicating that the context under which Hong Kong civil society exists and functions is neutral. The external environment in which civil society exists and functions is:

(1.6)
0----------1----------♦--------2----------3
Disabling Somewhat disabling Somewhat enabling Enabling

The subdimension scores of "Environment" are presented in Figure III.2.1.

FIGURE III.2.1: Subdimension scores for ENVIRONMENT



2.1 Political context

This subdimension provides an evaluation as to how supportive the political context is to the functioning of civil society. Table III.2.1 summarises the respective indicator scores.

TABLE III.2.1: Indicators assessing political context

Ref. #	Indicators	Score
2.1.1	Political Rights	1
2.1.2	Political competition	2
2.1.3	Rule of law	3
2.1.4	Corruption (public sector)	3
2.1.5	State effectiveness	2
2.1.6	Decentralisation	0
Note: Disabling(0)---somewhat disabling(1)---somewhat enabling(2)---enabling(3)		1.8

2.1.1 Political rights. Freedom House (2005) gave Hong Kong a score of 5 for political rights (from a scale ranging from 1, most free, to 7, least free), which indicates "partially free".[31] The lack of full democracy is the biggest restriction on people's political rights. The election of the Chief Executive is done by an 800-member Election Committee, which is not popularly elected and its membership is largely confined to local elites and business tycoons. At present, half of the seats on the Legislative Council are popularly elected. According to the Basic Law, both the Chief Executive and the Legislative Council are, ultimately, to be popularly elected; however, no official timetable has yet been given as to when these goals are to materialise.

The aforesaid qualifications aside, restrictions on people's political rights in Hong Kong are relatively limited. Elections at both legislative and district levels are generally fair and open; government proposals have also been made to provide subsidies to candidates (subject to some threshold requirements) in the elections. The formation of political parties has so far been relatively free.

2.1.2 Political competition. The rise of political parties in Hong Kong is a fairly recent phenomenon, as most parties were formed only in the 1990s. While the traditional "left-right" distinction can be meaningfully identified in Hong Kong, other dimensions of ideological division, particularly that between the "pro-Beijing" groups and the "democrats", matters as much, if not more, in Hong Kong politics. While the actual number of parties in the Legislature depends largely on how a party is defined, the three largest ones are: the Democratic Party (the democrats), the Liberal Party (representing largely the business interests) and the Democratic Alliance for the Betterment of Hong Kong (the key pro-Beijing party). In District Council elections, local politics is also an important variable in party competition.

Any meaningful discussion on the "party system" in Hong Kong must also make reference to the absence of a popularly elected Chief Executive or Legislature; the "government of the day" is, therefore, largely out of the hands of the people in Hong Kong. In fact, the political environment was thought to have impeded the growth of political parties.[32] This lack of opportunity to compete for government power, together with their relative youth, means that resources and the level of maturity of political parties in Hong Kong are in no way comparable to their Western counterparts. Nonetheless, political parties in Hong Kong are largely institutionalised; party platforms, party discipline and systems of leader selection are all in place.

Party membership varies: the Democratic Party had about 650 members in October 2005;[33] and The Democratic Alliance for the Betterment of Hong Kong had around 5,500 members in December 2005.[34]

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[31] Freedom House. (2005) *Country Report- Hong Kong China* [Internet]. Freedom House. Available from: <http://www.freedomhouse.org/template.cfm?page=22&country=6876&year=2005&view=mof>.

[32] Lau, Siu-kai and Kuan, Hsin-chi. (2002) "Hong Kong's Stunted Political Party System." *The China Quarterly* 172 Dec, pp. 1010-1028.

[33] Democratic Party. (2006) *Basic Information of Party* [Internet]. Hong Kong, Democratic Party. Available from: <http://www.dphk.org/2003/basicinfo/index.asp?iCommentID=146>.

[34] The Democratic Alliance for the Betterment of Hong Kong. (2006) *Basic Information of the Party* [Internet]. Hong Kong, Democratic Alliance for the Betterment of Hong Kong. Available from: <http://www.dab.org.hk/tr/main.jsp?content=category-content.jsp&categoryId=1038>.

2.1.3 Rule of law. After the resumption of sovereignty by the Chinese government, Hong Kong's legal system remains separate from Mainland China's. The common law legal system prevails, as provided by Article 8 of the Basic Law. The Basic Law sets out the political, social and economic structures of Hong Kong after 1997. Its Preamble envisages the practice of "One Country, Two Systems", and socialist policies are inapplicable here. As such, the rule of law continues to be the most important distinguishing feature of Hong Kong, evidencing the successful functioning of "One Country, Two Systems". There is separation of powers between the Executive, Legislative and Judiciary. The Judiciary is highly independent, with the Court of Appeal operating in Hong Kong as the final arbiter on all matters except foreign affairs and defence.

According to the World Bank Governance Research Indicators (2002, (thereafter the World Bank Indicators), Hong Kong is placed at 86.6 percentile on the rule of law, meaning that Hong Kong's score on the rule of law indicators is higher than 86.6% of all those countries surveyed. Hong Kong's score is much higher than the regional average (54.5), but is slightly lower than the average of the countries in the same high-income category (88.3).[35]

More recently, Hong Kong scored 75 out of 100 on the Rule of Law Index, indicating that the city has a high degree of compliance with the rule of law.[36] The index is devised by The Hong Kong Council of Social Service and scored by individuals in professions relating to upholding the rule of law in Hong Kong.

2.1.4 Corruption. With the creation of the Independent Commission Against Corruption (ICAC) in 1974, the effort as well as the effectiveness of the Hong Kong government in combating corruption has become internationally renowned. Increasing complaints reported to the ICAC in the last few years have raised concern about the rising level of corruption since the handover, though the increase in figures may well be a result of increasing citizens' awareness and advocacy. International evaluations continue to be very positive. According to the World Bank Indicators (2002), Hong Kong's percentile ranking for "Control of Corruption" is 90.2. It is higher than the regional average (44.4) and the average for the same income category (87.7).[37] Hong Kong received a score of 8.3 out of 10 on Transparency International's Corruption Perception Index in 2005.[38] Among the 159 countries being assessed, Hong Kong ranked 15th, which is the second highest in the Asia region.[39]

According to Transparency International, the results of the Global Corruption Barometer (2004) found that one-third (33%) of all Hong Kong respondents expected corruption to

[35] World Bank (2002) *World Bank Governance Research Indicators* [Internet]. World Bank. Available from: <http://info.worldbank.org/governance/kkz2002/mc_table .asp>

[36] The Index comprises 7 dimensions: basic requirement of laws, government under the law, rule against arbitrary powers, equality before the Law, impartial enforcement of the Law, accessibility to justice, and procedural fairness. Nineteen individuals were randomly selected from their respective professions to score the index; these individuals included 4 judges, 4 legislative councillors, 2 officials from the Department of Justice, 2 senior law enforcement agents, 3 barristers and 4 solicitors (see *Ming Pao*, January 8, 2006).

[37] World Bank (2002) *World Bank Governance Research Indicators* [Internet]. World Bank. Available from: <http://info.worldbank.org/governance/kkz2002/mc_table .asp>.

[38] Hong Kong's scores on the Corruption Perceptions Index (CPI) have improved slightly over the last few years. In 2001, CPI was 7.9; 2002, 8.2; 2003, 8.0; and 2004, 8.0.

[39] Transparency International (2005) *Corruption Perceptions Index 2005* [Internet]. Transparency International. Available from: <http://www.transparency.org/policy_and_research/surveys_indices/cpi/2005>

increase in the next three years. However, only 1% of the respondents admitted that either he/she or his/her family had paid a bribe in the past year.[40]

Despite Hong Kong's relatively impressive scores on various international indexes of control of corruption, the Advisory Group pointed out an aspect of society where they called for caution. Some members of Advisory Group alerted on certain forms of corruption that might have been institutionalised in such a way that they were no longer seen as corruption. Examples of these institutionalised forms of corruption include government's outsourcing system, and the alleged corroboration between the government and mega real estate developers that has attracted much public attention in recent years. Although monetary exchange may not have taken place, it was argued that such practices could still be considered as corruption. In the first instance, certain players are excluded from the system. In the second instance, the medium of exchange may, in lieu of money, be in the form of power and influence.

2.1.5 State effectiveness. The World Bank has constructed a "Government Effectiveness" indicator, which combines responses on the quality of public service provision, the quality of the bureaucracy, the competence of civil servants, the independence of the civil service from political pressures,and the credibility of the government's commitment to policies. In 2004, Hong Kong scored 1.49 (the scale ranges from -2.5 to +2.5, with 0 being the mean). Hong Kong compares favourably against most Asian countries, and its score is higher than the high income country category average of 1.34.[41]

Nonetheless, Hong Kong society was not too happy with the government's performance. Between the last half of 1997 and the first half of 2003, dissatisfaction with the economic performance of the government rose from 16.8% to a high of 67.2%; and dissatisfaction with the government's work on improving the livelihood of people rose from 24.7% to 59.8%.[42] The situation seems to have improved after the first chief executive, Mr. Tung Chee-hwa, stepped down in early 2005. Nonetheless, there are still a few areas, such as the lack of a cultural policy and a half-hearted effort in democratisation, in which the government comes under heavy criticism.

2.1.6 Decentralisation. There is no regional government in Hong Kong and thus decentralisation of decision-making to sub-national government is irrelevant in this context. The decision making powers have always been fairly centralised in Hong Kong. During British rule there was some degree of decentralisation (limited mainly to hygienic and cultural affairs) through the Municipal Councils and the District Boards (renamed District Councils after Hong Kong's reunion with the PRC). The abolition of the (popularly elected) Municipal Councils in 2000, however, signified a further setback of power decentralisation; government promises to "empower" the District Councils have yet to be honoured.

[40] Transparency International (2004) *Report on Transparency International Global Corruption Barometer 2004* [Internet]. Berlin, Transparency International. Available from: <http://ww1.transparency.org/surveys/barometer/dnld/barometer_report_8_12_2004.pdf >

[41] Higher scores correspond to better outcomes. See <http://info.worldbank.org/governance/kkz2004/mc_chart.asp>

[42] See University of Hong Kong, *Public Opinion Programme, POP polls, Popularity of HKSAR government* [Internet]. Hong Kong, University of Hong Kong. Available from: <http://hkupop.hku.hk>.

2.2 Basic rights and freedoms

This subdimension finds out whether basic rights and freedoms that are essential to the development of civil society are guaranteed by law. Table III.2.2 summarises the respective indicator scores.

TABLE III.2.2: Indicators assessing basic rights and freedoms

Ref. #	Indicators	Score
2.2.1	Civil liberties	2
2.2.2	Information rights	1
2.2.3	Press freedom	1
Note: Not guaranteed by law(0)---recognised by law but frequently violated(1)---recognised by law but occasionally violated(2)---guaranteed by law and in practice(3)		1.3

2.2.1 Civil liberties. The protection of the Hong Kong people's basic rights and freedoms is guaranteed by the Basic Law, the mini-constitution of Hong Kong. For example, equality before the law (Art 25), freedom of speech, freedom of association and freedom of assembly (Art 27) are all entrenched by the Basic Law. Constitutional provisions on these rights are quite detailed and comparable to other common law jurisdictions. Certain international covenants also continue to be in force in Hong Kong, including the International Covenant on Civil and Political Rights (ICCPR), the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW) and the International Covenant on Economic, Social and Cultural Rights (ICESCR). To a very large extent, civil liberties of the people are protected both in theory and in practice. For example, Falun Gong, a religious sect outlawed by an Anti-cult Law in China in 1999, continues to operate freely in Hong Kong.

Nevertheless, concerns have also been expressed over the regression in civil liberties protection in Hong Kong since the handover in 1997. The question of the independence of the judiciary has been highlighted by the non-prosecution of prominent public figures. Although freedoms of expression and assembly are by and large honoured, certain political demonstrations have to face increased (oppressive) policing, such as having police officers outnumbering demonstrators, or requiring demonstrators to stay in designated demonstration areas far away from protest targets. In 2003, legislation relating to Article 23 of the Basic Law has also come under the international spotlight. Article 23 requires Hong Kong to enact laws to prohibit treason, sedition, subversion, secession and theft of state secrets. The proposed legislation is seen as posing serious threats to the basic rights and freedoms of the people. The discontent of the community culminated in a half-a-million strong protest on 1 July 2003, causing the government to delay the implementation of this controversial law and ultimately to scrape the legislation altogether for the time being. Nonetheless, damage to the image of Hong Kong as a free society has already been done.[43]

Since then, the key issue has been on the denial of universal suffrage in the election of the chief executive in 2007 and the legislative council in 2008 by the central government of the

[43] Both Amnesty International and Human Rights Watch have expressed grave concern in their annual reports over the potential danger to civil liberties and human rights that Art. 23 might have done to Hong Kong. See http://web.amnesty.org/report2003/Chn-summary-eng for the *Amnesty International Report 2003*, and http://hrw.org/wr2k3/asia4.html for the human rights *World Report* 2003.

PRC. The decision effectively rules out universal suffrage in the two elections until 2012 at the earliest.[44]

On the whole, Hong Kong society enjoys a relatively high degree of civil liberties. The Freedom House awarded a score of 2 (range from 1, the most free, to 7, the least free) to Hong Kong in its 2005 report. The report criticises the inability of voters to change the government and the circumscribed power of legislators to introduce bills. It, however, praises Hong Kong's press freedom, unrestricted access to the internet, religious freedom, freedom of assembly and association, independence of trade unions, independence of the judiciary, an uncorrupt and law abiding police force, as well as other types of freedom.[45]

2.2.2 Information rights. There is no legislation in Hong Kong that guarantees public access to information. Instead, in 1995 the Hong Kong Government introduced the *Code on Access to Information* to serve as a formal framework for the provision of information by government departments. The Code applies to most government departments. It sets out information to be made publicly available and the rules for dealing with requests for access to government information. Each department has its Access to Information Officer to deal with specific requests for access to government information. Only a nominal charge reflecting the cost of reproducing the information will be levied. More importantly, a great deal of government information is available through the Government Information Centre (www.info.gov.hk). Furthermore, members of the public are allowed to sit in the courtroom during most proceedings heard in open court.

Although a substantial amount of information could be obtained from the government website, it has been pointed out in the Advisory Group meeting that information has become harder to get hold of after Hong Kong's reunion with the PRC. The pledge of government departments to supply requested information within a certain period of time has been removed since 1997. Requests for information are not entertained at times. Furthermore, the difficulty for individuals and small CSOs to secure the information they ask for is even higher.

2.2.3 Press freedom. Article 27 of the Basic Law provides for, among other freedoms, the freedom of speech, and of the press and publication. Freedom House has given a very positive assessment of press freedom in Hong Kong. Its 2005 report comments that mass media in Hong Kong "all operate virtually free from government control. No restrictions impede the international media." [46] At the same time, however, it alerts on self-censorship in some media, especially regarding powerful business interests and political issues sensitive to the Central Government. The concern of self-censorship has also been expressed in the Advisory Group meeting. Indeed, survey data in 2005 showed that on average 42.5% of respondents believed that the mass media practised self-censorship. Moreover, 58.0% thought that when the mass media criticised the Central Government, it was done with misgivings; the corresponding figure about the Hong Kong government was 28.8%.[47]

[44] http://htw.org/english/docs/2005/01/13/china9809_txt.htm
[45]http://www.freedomhouse.org/template.cfm?page=22&year=2005&country=6876
[46] http://www.freedomhouse.org/template.cfm?page=22&year=2005&country=6876
[47] See University of Hong Kong, *Public Opinion Programme, POP polls, Appraisals of Current Conditions* [Internet]. Hong Kong, University of Hong Kong. Available from: http://hkupop.hku.hk.>

2.3 Socio-Economic Context

This subdimension evaluates whether the socioeconomic environment of the society facilitates the growth of civil society. Table III.2.3 summarises the respective indicator scores.

TABLE III.2.3: Indicator assessing socio-economic context

Ref. #	Indicators	Score
2.3.1	Socio-economic context (poverty, ethnic/religious conflict, economic crisis, social crisis, adult illiteracy, IT infrastructure)	2
Note: *Disabling(0)---somewhat disabling(1)---somewhat enabling(2)---enabling(3)*		2.0

Poverty: Hong Kong is by no means a poor society. Hong Kong scored 0.916 on the UN's Human Development Index (2005), which takes into account life expectancy, educational attainment and adjusted real income. Hong Kong ranks 22 on the list of countries/societies being assessed, and is only surpassed by Japan in the Asia region.[48] However, it is estimated that in the first quarter of 2005, 18.3% of the population lived with a monthly income of less than or equal to half of the median income of other households of equal size.[49]

Civil war: Hong Kong has not had any civil war or violent social unrest in the last five years.

Recent severe ethnic or religious conflict: There was none in the last five years.

Severe economic crisis: In 2002, Hong Kong had a deficit of HK$18,541 million in its Balance of Payment account, which accounted for 1.5% of GDP. Since then, the economy has gradually improved and in 2003 the balance of payments recorded a surplus of $7,589 millions, representing 0.6% of GDP.[50] In 2004, the surplus rose to HK$25,486 millions, or 2.0% of GDP.[51] The Hong Kong Government does not have a debt problem. It has issued a small number of bonds which is only equivalent to less than 2% of GDP, or less than 10% of the Government's fiscal reserve.

Severe social crisis: The most pronounced social crisis experienced by Hong Kong society recently was the outbreak of the Severe Acute Respiratory Syndrome in the spring of 2003. The outbreak claimed about 300 lives, caused public fear and induced heavy economic loss to society.

Severe socio-economic inequities: The Gini index of inequality shows an increase in the gap between the rich and the poor over the last two decades. The Gini coefficient was .451 in 1981; .476 in 1991; and .525 in 2001.[52] Fortunately, the threat of social unrest is relatively

[48] United Nations Development Programme. (2005) *Human Development Report 2005* [Internet]. United Nations Development Programme. Available from: <http://hdr.undp.org/reports/global/2005/pdf/HDR05_HDI.pdf>.

[49] See <http://www.hkcss.org.hk/cb4/ecp/factsheet_povertyHK.pdf>

[50] See http://www.censtatd.gov.hk/hong_kong_statistics/statistical_tables/index.jsp?charsetID=1&subjectID=12&tableID=041>.

[51] See <http://www.censtatd.gov.hk/hong_kong_statistics/statistical_tables/index.jsp?tableID=041>

[52] The index ranges from 0 to 1, the higher the coefficient, the higher the inequality. Hong Kong's Gini coefficient in 2001 was higher than most Asian and Western countries (e.g. Japan had a score of .249 in 1993;

small in light of the availability of free universal education, public health care, public housing, and a safety net.

Pervasive adult illiteracy: According to the Human Development Report 2005, the adult literacy rate (age 15 and above) is 93.5.[53]

Lack of IT infrastructure: The Census and Statistics Department found that in 2004, 70.1% of all households in Hong Kong are equipped with a personal computer. Among those households who have computers, 92.2% are connected to the Internet.[54]

Because of severe socio-economic inequality (Gini index of 0.525) and a considerable portion of the population living in poverty (18.3% living in households with income not higher than half of the median income of households of the same size), the Advisory Group awarded this indicator a score of "2".

2.4 Socio-Cultural Context

This subdimension looks at the prevalence of those attitudes that normally make it easier for civil society to operate. Table III.2.4 summarises the respective indicator scores.

TABLE III.2.4: Indicators assessing socio-cultural context

Ref. #	Indicators	Score
2.4.1	Trust	1
2.4.2	Tolerance	2
2.4.3	Public spiritedness	1
Note: *Disabling(0)---somewhat disabling(1)---somewhat enabling(2)---enabling(3)*		1.3

2.4.1 Trust. The level of general trust is rather low in Hong Kong. The SC survey in 2003 revealed that only 25.2% of the respondents disagreed or strongly disagreed with the statement "Don't trust people so easily in Hong Kong." In addition, more than half of the respondents (57.0%) agreed or strongly agreed that people of Hong Kong liked to take advantage of others. However, when it comes to particularised trust, the results showed that, in general, people were willing to trust others from lower social strata, higher social strata, former welfare recipients, new immigrants from mainland China, and Europeans/Americans. But they tended not to trust people embracing different ideologies, homosexuals, and Indians/Pakistanis.

2.4.2 Tolerance. The SC respondents were asked to show the extent to which they were willing to be neighbours of groups from different backgrounds. On a scale of 1 to 10, with 1 indicating extremely unwilling and 5.5 being the mid-point, respondents tended to express tolerance. They were willing to be neighbours of former welfare recipients (6.99), new immigrants from mainland China (6.71), and homosexuals (5.71). The respondents were ambivalent with regard to Indians and Pakistanis (5.49). According to a telephone survey conducted by the Public Opinion Programme, the University of Hong Kong, over 80% of the respondents were willing to make friends with homosexuals.[55]

Korea, .316 in 1998; the Philippines, .461 in 2000; Canada, .331 in 1998; UK, .360 in 1999; and USA, .408 in 2000). See <http://www.hkcss.org.hk/cb4/ecp/factsheet_povertyHK.pdf>.

[53] See <http://hdr.undp.org/statistics/data/pdf/hdr05_table_1.pdf>

[54] See <http://www.censtatd.gov.hk/FileManager/EN/Content_631/ths23-it.pdf>.

[55] It was reported in *Ming Pao* January 23, 2006.

2.4.3 Public spiritedness. Using tax payment as a proxy of public spiritedness, the majority of tax payers settled their tax payments on time. In 2003-4, late payment involved 4.6% of overall tax revenue collected.[56] Late payments that resulted in court action accounted for 0.8% of overall tax revenue collected,[57] and tax avoidance, 0.6%.[58]

In addition, a few questions in the CE survey are related to public spiritedness. The percentages of the respondents who claimed to have encountered the following situations often or very often are: jumping queues when using public transport (25.7%), smoking in non-smoking area (24.5%), talking on the phone during concerts or movie shows (24.9%), polluting public places (26.6%), using foul language publicly (31.2%), and making loud noises late at night (11.5%). Public spiritedness does not seem to be very impressive in Hong Kong. It is true that people tend to pay tax on time, but the avoidance of punishment could be the chief motivation in this case, the avoidance of committing a criminal offence which might lead to imprisonment.

2.5 Legal Environment

This subdimension documents the presence of various laws that are beneficial to CSOs. Table III.2.5 summarises the respective indicator scores.

TABLE III.2.5: Indicators assessing legal environment

Ref. #	Indicators	Score
2.5.1	CSO registration	2
2.5.2	Allowable advocacy activities	3
2.5.3	Tax laws favourable to CSOs	2
2.5.4	Tax benefits for philanthropy	1
Note: Disabling(0)---somewhat disabling(1)---somewhat enabling(2)---enabling(3)		2.0

2.5.1 CSO Registration. At present, there are 3 common legal forms for setting up a CSO. The process of registration varies according to the legal form chosen.

Charitable trusts: A charitable trust is an equitable obligation imposing on the trustee, as the legal owner of some property, to manage that property for the advancement of charitable purposes. A trust is not an incorporated body, but the trustee may take a corporate form whose incorporation is facilitated by the Registered Trustees Incorporation Ordinance (Cap 306). Although certain formalities have to be complied with in order to create a valid charitable trust, it is not required to register with any government authority.

Companies limited by guarantee: The Companies Ordinance makes no special provision for CSOs, but CSOs can be established as incorporated bodies. If so, they will often be registered as companies limited by guarantee under the Companies Ordinance. Unlike a company limited by shares, members do not purchase shares in the company, but undertake to

[56] The figure is calculated by dividing "late payment" (4,857 million) by total revenue collected (106,199.8 million). Information obtained from <www.ird.gov.hk/eng/ppr/are03_04.htm>

[57] The figure is calculated by dividing tax involved in "Recovery action in the District Court" (875 millions) by total revenue collected (106,199 millions).

[58] The figure is calculated by dividing "Back tax and penalties assessed" (636.2 millions) by total revenue collected (106,199 millions).

contribute a fixed amount as specified in the memorandum upon the company's liquidation (s4(2)(b)).

A company limited by guarantee is created by applying to the Companies Registry. There must be at least 2 members, a unique name, a constitution and a registered office. In order to register as a company limited by guarantee, the assent of a majority of members must be obtained at a general meeting summoned for the purpose. This assent must also be accompanied by a resolution declaring that each member undertakes to contribute to the assets of the company in the event of its being wound up while he is a member, or within 1 year after he ceases to be a member, for payment of the debts and liabilities of the company contracted before he ceased to be a member and the costs and expenses, not exceeding a specified amount: s310(1) proviso (g). A registration fee ranging from HK$170 to HK$1,025 (depending on the number of members as stated in the articles) has to be paid: Part II, Eighth Schedule, CO.

Unincorporated associations: An unincorporated association refers to a group of people defined and bound together by rules to attain a common objective. The members are free to determine the nature, extent and constitutional structure of their association. Because of its unincorporated status, an unincorporated association is not required to register. However, an unincorporated association usually falls within the definition of 'local society' in the Societies Ordinance (Cap 151) – any society organised and established in Hong Kong or having its headquarters or chief place of business in Hong Kong (s2). As such, it must apply for registration or exemption from registration within 1 month of its establishment with the Societies Officer, a role historically played by the Commissioner of Police. However, the Societies Officer may exempt a society from registration if satisfied that the society is established solely for religious, charitable, social, or recreational purposes. The Societies Officer has to keep a list of societies that have been registered or exempted, which is open to inspection.

Therefore, the requirements, if any, of registering a CSO are not cumbersome. Indeed, it is only if the CSO wishes to apply to the Inland Revenue Department for recognition as an approved charitable institution or trust of a public character (as opposed to registration of charities) that there are more exacting requirements. For example, the trust instrument / constitution should contain a clause stating that the funds are to be applied towards the attainment of charitable objects, a non-distribution of profits clause, etc.

In practice, CSO registration procedure is both fairly easy and inexpensive in Hong Kong, which is reflected in the results of the CSO survey.

The CSO survey revealed that a fair portion of the respondents (about one-third of each of the five aspects surveyed) did not have much knowledge about the CSO registration process. For those who knew, results indicated that most respondents judged the registration process to be quick (58.8%), simple (60.4%), inexpensive (59.0%), fairly applied (63.7%), and consistent (60.0%).

2.5.2 Allowable advocacy activities. CSOs are free to engage in advocacy / to criticise the government. Notable examples include the Hong Kong Human Rights Commission and Hong Kong Human Rights Monitor which aim at promoting and protecting the human rights of the community. The campaigning efforts of various non-governmental organisations saw the enactment of a number of important ordinances in Hong Kong, including the Bill of

Rights Ordinance (Cap 383, 1981), Sex Discrimination Ordinance (Cap 480, 1995), Disability Discrimination Ordinance (Cap 487, 1995), and Family Status Discrimination Ordinance (Cap 527, 1997).

There are also numerous political organisations advocating for democracy or other social causes, the major ones including the Democratic Party, the Frontier, the Liberal Party and the Democratic Alliance for the Betterment of Hong Kong. However, an organisation formed for the purpose of attainment of a political object has been held by the court to be non-charitable. Hence, no tax-exempt charity status would be accorded to it. The sharp dividing line between charitable and political purposes has been justified on the ground that it is not the function of the judiciary, but that of the legislature, to decide whether there should be changes in law. For example, Amnesty International was refused charitable status because its objectives of 'release of prisoners of conscience' and 'procure abolition of torture or other degrading treatment' were 'substantially political' and could only be achieved by changes in law: *McGovern v AG* [1982] Ch 321. But where the promotion of change in the law is only ancillary to the main charitable objects, the organisation would not cease to be 'exclusively charitable'.

2.5.3 Laws favourable to CSOs. The Inland Revenue Ordinance (IRO) does not contain any provision for tax exemption for 'non-profit-making' or 'voluntary' organisations. Rather, since the legal framework within which CSOs in Hong Kong operate is largely drawn from the United Kingdom, the Inland Revenue Department followed the English law of charitable trusts in deciding whether a 'charity' is entitled to tax exemptions.

To be eligible for tax exemptions, the charity must be established exclusively for charitable purposes, conferring a public benefit to a broader community rather than to a narrowly defined group of individuals within one of the following 4 specified heads (see *IRC v Pemsel* (1891) AC 531):

(1) relief of poverty;
(2) advancement of education;
(3) advancement of religion; or
(4) other purposes beneficial to the Hong Kong community not falling within one of the preceding purposes.

As at July 2003, there are over 4,000 tax-exempt charities[59] in Hong Kong according to the list of Approved Charitable Institutions and Trusts of a Public Character prepared by the Inland Revenue Department,[60] most of which are organisations concerned with religious, educational and welfare activities.

Once qualified as a tax-exempt charity, the following tax advantages would be accorded:

Tax Exemptions

(a) *Profits tax*: if a charitable institution or trust of a public character carries on a trade or business, the profits from such trade or business are exempted only if (1) the profits are

[59] We do not know the exact number of CSOs in Hong Kong and therefore are unable to estimate what percentages of CSOs have applied for tax exemption.
[60] See <http://www.info.gov.hk/ird/eng/pdf/e_s88list_emb.pdf>.

applied solely for charitable purposes, (2) the profits are not expended substantially outside Hong Kong, and (3) the trade or business is exercised in the course of the actual carrying out of the expressed objects of the institution or trust, or the work in connection with the trade or business is mainly carried on by persons for whose benefit such institution or trust is established (proviso to s88 IRO).

(b) *Stamp duty:* stamp duty not chargeable on the conveyance of immovable property or any transfer of Hong Kong stock operating as a voluntary disposition *inter vivos* if it is a gift to a charitable institution or trust of a public character.

(c) *Business registration tax:* a charitable, ecclesiastical or educational institution of a public character may also be exempted from the obligation of business registration: s16 Business Registration Ordinance (Cap 310 Laws of Hong Kong)

2.5.4 Tax benefits for philanthropy. Individuals and companies subject to salaries tax and / or profits tax may claim tax deductions for approved charitable donations over HK$100 from his net assessable income / net assessable profits, subject to a maximum of 25% of his net assessable income / profits: s16D and s26B IRO.

Once a non-profit organisation receives tax-exempt charity status, the organisation must then submit accounts, audits or annual reports to the Inland Revenue Department as per their request. Owing to the relatively low rates of both personal income and profits tax in Hong Kong, the government has only a limited budget for social services provision. Thus, individuals and companies should bear a greater responsibility for supporting CSOs. With proper donation receipts, individuals and companies can apply for tax deductions. Apart from this, however, the tax laws provide little incentive for individuals and companies to make purely philanthropic donations.

As personal income tax and profits tax are both fairly low in Hong Kong, tax benefits play a small part in encouraging philanthropy. The abolition of estate duty in 2005 further reduces tax benefits as an incentive.

2.6 State-Civil Society Relations

This subdimension finds out how productive the relationship between the state and the civil society is. Table III.2.6 summarises the respective indicator scores.

TABLE III.2.6: Indicators assessing state-civil society relations

Ref. #	Indicators	Score
2.6.1	Autonomy of CSOs	2
2.6.2	Dialogue between CSOs and the state	1
2.6.3	Cooperation/ support	2
Note: *Unproductive(0)---mostly unproductive(1)---mostly productive(2)---productive(3)*		1.7

2.6.1 Autonomy of CSOs. In terms of CSO registration and application to organise activities in public places, government interference is quite minimal. CSO autonomy with regard to governance structure, however, varies with the nature of the CSO. While social services organisations usually have a fairly high degree of autonomy from the government, government subsidised hospitals and schools have to follow government decree closely.

The majority of the respondents of the CSO survey (69.2%) did not think that the government had exerted undue interference in CSO activities. The 2005 Freedom House Country Report concurs, for it states that "[a] wide range of NGOs, including human rights groups, operate in Hong Kong without restrictions."[61]

Nonetheless, it was pointed out in the Advisory Group meeting, and confirmed in the Stakeholders consultations as well as the HKCSI stakeholder workshop, that heavy dependence of CSOs on government funding has limited CSOs' autonomy. For fear of unfavourable treatment by the government, these CSOs tend to organise activities that are perceived to be acceptable to the government.

2.6.2 Dialogue between CSOs and the state. Advisory committees and consultative bodies have been part of Hong Kong's governance structure for a long time. In the years preceding Hong Kong's reunification with the PRC in 1997, the government began to step up its engagement policy by inviting a wider segment of society to join committees that were invested with certain powers, such as the Town Planning Board, the Equal Opportunities Commission and the Arts Development Council.[62] After 1997, the engagement process appeared to continue and the platform of engagement was widened as more advisory committees covering different areas were set up; issues such as sustainable development[63] and the well being of women[64] were examples of the engagement process. However, the relationship between the government and CSOs has not improved despite heightened engagement. There is a common suspicion about the sincerity of engagement and confusion about the purpose and the role of these advisory committees.

This distrustful feeling between the government and civil society is reflected in the CSO survey. Two-thirds of the respondents (66.3%) in the CSO survey deemed dialogue between the government and civil society to be non-existent or limited. About one-fourth (23.1%) thought there was a moderate level of dialogue and only 2.9% saw dialogue to be effective.

2.6.3 Cooperation/ support. Allocation of government resources for CSOs is usually done on a programme basis, which mainly falls into the following categories: education, health, welfare, environmental protection, sports, and arts & culture. There is also some support for community-based organisations. Government resources for primary and secondary schools as well as subsidised hospitals account for a very high percentage of their income. Such resources are also significant for welfare CSOs.

In 2003-2004, the HKSAR government spent HK$6.9 billion, i.e. 21% of the budget allocated to the Social Welfare Department, to fund NGOs in Hong Kong.[65] Indeed, the government heavily funds a majority of social welfare CSOs. It was estimated that 70% of

[61] <http://www.freedomhouse.org/template.cfm?page=22&year=2005&country=6876>
[62] All are statutory bodies.
[63] The Council for Sustainable Development is an advisory body set up to assist the government to devise strategies, raise public awareness and encourage community participation in promoting sustainable development.
[64] The Women's Commission is an advisory body set up in 2001 to promote the interests and well-being of women.
[65] <http://www.swd.gov.hk/doc/annreport/0304annrepe.pdf>

the income of 346 non-profit social services organisations came from the government, which accounted for 2.4% of the total public expenditure, or 0.5% of GDP.[66]

According to the CSO survey, 15% of the CSOs identified by the respondents were said to have Government funding as their major source of income.

2.7 Private Sector-Civil Society Relations

This subdimension examines how supportive the private sector is of civil society. Table III.2.7 summarises the respective indicator scores.

TABLE III.2.7: Indicators assessing private sector-civil society relations

Ref. #	Indicators	Score
2.7.1	Private sector attitude	2
2.7.2	Corporate social responsibility	1
2.7.3	Corporate philanthropy	1
Note: Unproductive(0)---mostly unproductive(1)---mostly productive(2)---productive(3)		1.3

2.7.1 Private sector attitude. Over half of the respondents in the CSO survey (55.5%) thought that the business sector had a positive view of CSOs. At the same time, 21.7% thought that the business sector was indifferent, and 4.0% even believed it to be suspicious or antagonistic of CSOs (don't know: 18.8%). Stakeholder consultations revealed that growing awareness of the concept of corporate social responsibility helped improve the relationship between CSOs and the private sector. However, it has also been pointed out that the business sector was receptive to particular topics and therefore only certain types of CSOs such as those caring for the needy and the young are likely candidates of business sector sponsorship.

The view that big corporations are now becoming more concerned with civil society has been expressed in the Advisory Group meeting. At the same time there existed the suspicion of PR being the underlying intention of these corporations. It has also been pointed out that small and medium sized companies are fairly indifferent to civil society.

2.7.2 Corporate social responsibility. The CSR study, which covered the ten largest public companies in Hong Kong,[67] showed that the concept of corporate social responsibility was rather underdeveloped. Only two of the ten companies have a separate report on CSR detailing their policies, practices and performance measurements. A study of these ten companies revealed that the idea of CSR was mainly limited to corporate philanthropy, volunteering and commitment to environmental protection. The issue of corporate governance referred predominantly to the responsibilities of these companies to their investors and shareholders with respect to accountability and transparency. Corporate governance was concerned neither with communities as stakeholders, nor the need to engage stakeholders. Furthermore, the concept of monitoring and promoting the corporate social responsibility of business partners was also absent from these ten companies.

[66] Lee, Eliza W.Y. (2005) "Nonprofit development in Hong Kong: The case of a statist-corporatist regime." *Voluntas: International Journal of Voluntary and Nonprofit Organisations*, 16(1) March, pp. 51-68.

[67] CIVICUS suggests a study of CSR commitments of the ten largest public companies. In the case of Hong Kong in 2003, the ten companies covered in the study are: CLP Holdings Ltd, Wharf (Holdings) Ltd., HSBC Holdings Plc., Hongkong Electric Holdings Ltd., Pacific Century CyberWorks Ltd., Hutchison Whampoa Ltd., Sun Hung Kai Properties Ltd., China Resources Enterprise Ltd., Cathay Pacific Airways Ltd., and BOC Hong Kong (Holdings) Ltd.

The respondents of the CSO survey would concur with the conclusions reached by the CSR study. Most of the respondents (57.9%) held that major companies in HK only paid limited or insufficient consideration to CSR, as opposed to 23.8% who thought that the level of consideration was moderate and 3.4% who said that CSR had been sufficiently attended to (don't know:14.9%).

In recent years, both the government and certain CSOs have increased their efforts to foster a sense of corporate social responsibility. The Caring Company programme run by the Hong Kong Council of Social Service aims to cultivate corporate citizenship and partnership between the business sector and NGOs. In 2005, 881 companies qualified as caring companies, representing a 30% increase over the previous year.

2.7.3 Corporate philanthropy. According to the Inland Revenue Department, the total amount of corporate giving (measured in terms of profit tax exempted for charitable donation) in 1999 was about HK$850 million.[68] This, however, probably underestimates the total amount of corporate donations, which are not always recorded in the official taxation data. A survey commissioned by the Central Policy Unit of the HKSAR government estimated that the total amount of company giving in the year 2000 ranged from $1.4 billion to $2.6 billion (giving in kind excluded). Overall, company giving (in cash terms) was believed to account for around 10% of all giving.[69]

The CSOs survey indicated that the business sector was not a major donor. Respondents estimated that a mere 5.3% of the total income of the organisations they knew best came from the business sector, which was much lower than those coming from individual donations (35.6%), membership fees (20.4%), the government (14.5%), service charges or sales (13.0%), and overseas donations (7.2%).

While the amount of company giving is not small (10% of all giving), it appears to constitute only a minor portion of CSOs' total income (5.3%). This discrepancy may reflect the situation that only a limited range of CSOs received corporate support. It has been pointed out in the Advisory Group meeting that usually reputable welfare, education and health organisations received corporate support, while advocacy and small community organisations were less likely to receive private donations.

Conclusion

All in all, Hong Kong's environment is neutral to the development of civil society. It is weak in terms of basic rights (information rights and press freedom in particular), socio-cultural context (low general trust and public spiritedness), and private sector-civil society relationship.

The socio-economic context with regard to the absence of severe poverty, ethnic or religious conflict and social crisis, together with high adult literacy and a fairly widespread IT infrastructure provides a somewhat enabling environment for civil society to develop.

[68] The corresponding figure for the 2003-4 assessment years is HK$0.64 billion. <http://www.ird.gov.hk/eng/pdf/a04_mis.pdf>.

[69] Golin/Harris Forrest (2001). *The Role of Companies in the Development of a Vibrant Third Sector in Hong Kong*. The report can be accessed through: <http://www.cpu.gov.hk/english/documents/new/press/3rd-fullrep.rtf>

Similarly, the legal environment is also somewhat enabling. However, the under-development of a tax system to allow tax benefit for philanthropic activities is disappointing.

3. VALUES

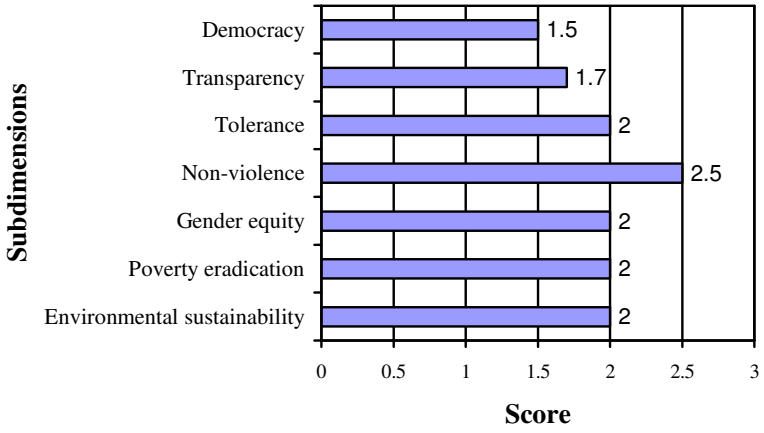
The VALUES dimension of CSI aims to find out the extent to which civil society practises and promotes important values. The values being assessed include democracy, transparency, tolerance, non-violence, gender equity, poverty eradication and environmental protection. Hong Kong receives a score of 2.0, indicating that Hong Kong civil society's effort in practising and promoting positive social values is moderate.

The extent to which civil society practises and promotes positive social values is:

(2.0)
0----------1----------♦----------3
Very low Limited Moderate Significant

There are seven subdimensions under VALUES and all the subdimension scores are summarised in Figure III.3.1.

FIGURE III.3.1: Subdimension Scores for VALUES



3.1 Democracy

This subdimension finds out how much democracy is practised within CSOs and how active CSOs are in promoting democracy. Table III.3.1 summarises the respective indicator scores.

TABLE III.3.1: Indicators assessing democracy

Ref. #	Indicators	Score
3.1.1	Democratic practices within CSOs	1
3.1.2	CS actions to promote democracy	2
Note: Very low(0)---limited(1)---moderate(2)---significant(3)		1.5

3.1.1 Democratic practices within CSOs. It appears that a democratic method of leader selection is not a common procedure among CSOs. Just over one-third of the respondents (36.5%) of the CSO survey reported that the leaders of the CSOs they were most familiar with were elected by members, while two types of non-democratic leader selection method (self selection, 21.3%; appointment, 13.3%) together constituted a similar portion. A fairly high percentage of the respondents (26.9%) were not certain about the leader selection

method of their most familiar CSOs.[70] Less than half of the respondents believed that members of CSOs had substantial (20.1%) or moderate (25.2%) influence on policy making, while 20.5% thought that the influence of members was limited or close to none.[71]

Although democratic leader selection was not a mainstream practice among CSOs, a participant of the Stakeholder Consultations suggested that CSOs had done quite well in promoting pluralistic participation. It was felt that despite differences in opinion, every social sector could freely express its concerns and coordinate with each other.

3.1.2 CS actions to promote democracy. In the context of Hong Kong, promoting democracy is mainly about the quest for universal suffrage in the selection of the chief executive and legislative councillors. It is one of the foremost items on Hong Kong's public agenda.[72] The results of the CSO survey confirmed this view. When the respondents were asked to name civil society activities to promote certain values, most respondents identified "promoting democracy" in a list of eight values.[73]

Stakeholder Consultations, however, unveiled that democracy had taken on different meanings. For democratically oriented groups, "democracy" essentially referred to the adoption of universal suffrage in the selection of political leadership. For more conservative groups such as ethnic associations or trade unions, democracy could be equivalent to social welfare, equality, inclusion, or even, in a rare case, support for the government.

Many activities have been organised to promote democracy; they are mainly in the form of marches, petitions and public forums. Two most participatory marches organised for this purpose in 2005 took place on 1 July and 4 December. In both cases, tens of thousands of individuals were involved. There are also CSOs whose mandate is to advance the value and practice of democracy; the Democratic Development Network, Power for Democracy and Civil Human Rights Front are just a few of these examples. The media review found that of the values that civil society pursued, its action to promote democracy was reported on most by both the print (22.6%) and the broadcast (38.2%) media in the two periods monitored.[74]

However, half of the respondents (49.7%) in the CSO survey thought that civil society had a very small or limited role in promoting democracy, while 37.9% thought that its role was moderate or significant. Since the pace and degree of democratisation of Hong Kong's political system, especially with regard to the implementation of universal suffrage, requires

[70] The respondents were asked to report the leader selection method of each of the three CSO they were most familiar with. Since the percentages of "don't know/not sure" answers were even higher for the second (54.1%) and third (57.2) CSOs, we only included the results of the first CSO in the text. The pattern, however, for the selection methods of the three CSOs, is the same.

[71] The results reported again referred to the CSOs the respondents were most familiar with. Here, 13.1% of the respondents opted for the "don't know/not sure" answer, and 21.1% "not applicable".

[72] The most recent large scale activity took place on December 4 2005, during which close to 100,000 individuals reportedly took part in a peaceful march in a call for a faster pace of democratisation. The march was organised by a coalition of different CSOs.

[73] 71.5% of the respondents were able to name at least one event organised by CSOs in the past year for the purpose of promoting democracy in HK. It was closely followed by environmental protection (69.9%) and poverty eradication (67.1%).

[74] Two newspapers were monitored: *Ming Pao* and the *Oriental Daily*. Both papers were Chinese newspapers. The monitoring periods were between 1 May and 30 June 2004, as well as 1 November and 31 December 2004. All sections in both newspapers, with the exception of entertainment, sports and the classifieds, were monitored. As to the broadcasting media, TVB prime news bulletin, which is aired between 18:30 and 19:00 every evening, was monitored. The monitoring periods are the same as for the print media.

the approval of the PRC, the influence of Hong Kong civil society is actually restricted. Despite this limitation, the fact that over one-third of the respondents still accorded civil society a role in the promotion of democracy could be regarded as a compliment to those CSOs that champion such a cause.

3.2 Transparency

This subdimension considers the seriousness of corruption in society and the state of transparency of CSOs. Table III.3.2 summarises the respective indicator scores.

TABLE III.3.2: Indicators assessing transparency

Ref. #	Indicators	Score
3.2.1	Corruption within civil society	3
3.2.2	Financial transparency of CSOs	1
3.2.3	CS actions to promote transparency	1
Note: Very low(0)---limited(1)---moderate(2)---significant(3)		1.7

3.2.1 Corruption within civil society. Corruption within CSOs is not considered serious in Hong Kong. The CSO survey provided some evidence. Only 5.2% of the respondents were of the view that corruption was common or very common within civil society.

3.2.2 Financial transparency of CSOs. Government-financed social welfare CSOs are required to make their financial statements public. The CSO survey reported that 44.6% of the organisations that the respondent knew best have made their financial statements public, compared to 34.2% which have not.

Doubts about the availability of CSOs' financial statements were raised in the Advisory Group meeting. It was pointed out that CSOs receiving government funding are required to submit publicly audited financial statements to the government. However, the financial statements may not be available to the general public. Moreover, some CSOs refrain from disclosing their full financial statements. Small CSOs and CSOs which do not receive public funding may not even have their financial statements audited by certified accountants.

3.2.3 CS actions to promote transparency. Government transparency is usually promoted as part and parcel of democracy. This value was particularly heightened in recent years when the government stumbled on a series of policy blunders. As such, there has been little activity organised, or CSOs set up for the sole purpose of promoting transparency. Rather, transparency is promoted along with democracy. With this background in mind, it is not surprising that only 55.4% of the respondents in the CSO survey could identify at least one activity for this purpose. Furthermore, 30.9% of the respondents rendered civil society's role as moderate or important. The effort to advance transparency has been captured by the media as well, for 16.5% of the print and 14.7% of the broadcast media have reported news on CSOs' efforts in promoting transparency.

Corporate transparency is fairly new to Hong Kong. This concept is not usually understood as part of Corporate Social Responsibility. As the study on Corporate Social Responsibility shows, only two among the ten biggest public companies had mentioned transparency, but their focus was on transparency and accountability towards shareholders and investors. The percentage of the CSO survey respondents being able to name at least one activity organised by civil society to this effect was 43.2%. Only 22.9% of the respondents accorded any

significance to the role of civil society in this regard. Some of the participants of the Stakeholder Consultations blamed CSOs for paying too much attention to welfare or their own services to the exclusion of promoting government and corporate transparency.

3.3 Tolerance

This subdimension analyses the tolerance of society towards minority groups and how much civil society has done to promote tolerance. Table III.3.3 summarises the respective indicator scores.

TABLE III.3.3: Indicators assessing tolerance

Ref. #	Indicators	Score
3.3.1	Tolerance within the CS arena	2
3.3.2	CS actions to promote tolerance	2
Note: *Very low(0)---limited(1)---moderate(2)---significant(3)*		2.0

3.3.1 Tolerance within the CS arena. In terms of ethnic composition, Hong Kong society is highly homogeneous in that the 2001 population census shows that over 94.9% of the population is Chinese.[75] There is, however, a large population of sojourn workers, composed mainly of Filipinos (2.1%) and Indonesians (0.8%) serving as domestic helpers. There has not been much overt racial discrimination reported. When discrimination takes place, it is carried out in a subtle manner. Discrimination against new immigrants from Mainland China used to be quite rampant. However, with a more balanced portrayal in the media, and with a higher degree of interaction between the local population and new immigrants, discrimination appears to have subsided to a certain extent.

There do not appear to be many groups or forces within civil society that are explicitly racist, discriminatory or intolerant. The CSO survey shows the influence of these forces to be insignificant (17.9%) or limited (34.9%), while 13.9% regarded these forces to have moderate influence and 4.9% significant influence. A further 28.4% of the respondents were not sure.

3.3.2 CS actions to promote tolerance. As intolerance is neither severe nor widespread, CSOs whose mission is to promote tolerance are not great in number. There are still CSOs that serve a variety of minority groups. For example, Unison Hong Kong Ltd.[76] promotes racial equality, particularly in the areas of education and employment; The Society of Rehabilitation and Crime Prevention,[77] Hong Kong, assists ex-offenders to re-establish themselves in society; the Rehabilitation Alliance Hong Kong[78] campaigns for the rights of the disabled; the Chi Heng Foundation[79] and Civil Rights for Sexual Diversities[80] canvass for rights and equal opportunities for people of different sexual orientations.

Probably because intolerance is not a serious social issue, only 39.7% of the respondents of the CSO survey were able to name one or more civil society activity aiming to promote

[75] <http://www.censtatd.gov.hk/major_projects/2001_population_census/main_tables/population_by_ethnicity_2001/index.jsp>
[76] <http://www.unison.org.hk>
[77] <http://www.sracp.org.hk>
[78] <http://www.rahk.org.hk>
[79] <http://www.chihengfoundation.com>
[80] <http://www.cr4sd.org>

tolerance that took place in the previous year, which is the lowest among a list of questions relating to activities to promote certain civil society values. Furthermore, 31.7% of the respondents judged these efforts to be important or significant.

3.4 Non-violence

This subdimension analyses whether civil society has practised and promoted non-violence in their work. Table III.3.4 summarises the respective indicator scores.

TABLE III.3.4: Indicators assessing non-violence

Ref. #	Indicators	Score
3.4.1	Non-violence within the CS arena	3
3.4.2	CS actions to promote non-violence and peace	2
Note: Very low(0)---limited(1)---moderate(2)---significant(3)		2.5

3.4.1 Non-violence within the CS arena. In general, the use of violent means is uncommon among CS actors in Hong Kong. This can be demonstrated in a number of large-scale demonstrations and marches that took place since the summer of 2003. There has not been a single violent outbreak in all these incidents. There are only (arguably) two exceptions to this in recent years. The first case involves a small group of people from Mainland China who have been campaigning for their right of abode in Hong Kong. In one incident in 2000, their action caused two deaths and some 40 injuries. The second case concerns the "indigenous" groups/villagers in the New Territories (descendants of Chinese who had been living in Hong Kong well before the coming of the British colonialists). On several occasions in the 1990s (for example, campaigns against proposed legislation that may threaten their traditional privileges) they used relatively violent actions and language in defending their interests. These actions provoked a public outcry and were strongly condemned. Other than these possible exceptions, CS in Hong Kong is largely peaceful.

3.4.2 CS actions to promote non-violence and peace. At the society level, Hong Kong is basically a non-violent society. The use of violence as a means of conflict resolution is fairly rare. Activities to promote a non-violent society are therefore few. However, the use of violence at the group level is causing some concern. The number of incidents of domestic violence, for example, has been rising in recent years. There are CSOs that are formed specifically to address the issues of child or women abuse. The more prominent ones include Against Child Abuse, and Association Concerning Sexual Violence Against Women. They usually provide direct support services to victims of sexual or domestic violence, conduct community or school educational programmes and occasionally carry out larger-scale public education campaigns.

Probably because violence is not a serious issue, CS actions to promote non-violence are not very visible. Less than half of the respondents (43.2%) in the CSO survey were able to name one or more activities organised with the objective of promoting non-violence or peaceful conflict resolution. About one in five of the respondents were unable to name an event of this nature, and a further 37.1% did not know. Three out of ten respondents thought civil society's role was moderate or important in this endeavour.

In view of the fact that Hong Kong is basically a non-violent city and therefore not much action is needed to promote non-violence and peace, the Advisory Group gave a score of "2" to this indicator.

3.5 Gender Equity

This subdimension studies the situation of gender equity within civil society. Table III.3.5 summarises the respective indicator scores.

TABLE III.3.5: Indicators assessing gender equality

Ref. #	Indicators	Score
3.5.1	Gender equity within the CS arena	2
3.5.2	Gender equitable practices within CSOs	2
3.5.3	CS actions to promote gender equity	2
Note: Very low(0)---limited(1)---moderate(2)---significant(3)		2.0

3.5.1 Gender equity within the civil society arena. Gender equity is not a central issue in civil society. On the one hand, there are rarely any complaints about women being treated unfairly by civil society actors, while on the other hand not many major and influential efforts have been made by CSOs to oppose or condemn sexual discrimination / inequity in recent years.

According to Human Development Reports (2003), the Gender-related Development Index (GDI) of Hong Kong was 0.886 and ranked 26 in 2001. The female adult literacy rate (% age 15 and above) was 89.6 in 2001, compared to 96.9 of males. Females' estimated earned income is US$18,028, while that of males is US$31,883. Females comprise 25% of the total legislators, senior officials and managers, and 38% of professional and technical workers. We do not have data on the percentage of women in civil society leadership roles. [81]

Most of the respondents of the CSO survey (57.5%) felt that discriminatory civil society forces (particularly those against women) had limited impact; only a minority felt that the impact was moderate (11.3%) or significant (3.1%).

The CSO survey reported that 39.8% of the respondents said gender discriminatory practices would always or usually be denounced by other CSOs. However, 36.9% held that censure was rare. At the same time, 23.4% of the respondents did not know whether such behaviour would be condemned.

3.5.2 Gender equitable practices within CSOs. Hong Kong's laws prohibits gender discriminatory practices. The Equal Opportunities Commission is a statutory body set up to, among others, implement the Sex Discrimination Ordinance.[82] It is therefore unlawful for a company's hiring policy, promotion decisions or pay structure to be gender based. Most of the respondents of the CSOs survey (57.6%) believed that the influence of sexist or discriminatory forces within CSOs was limited or insignificant.

[81] Women tend to be under-represented in non-civil society leadership positions. In tertiary education women only constituted 8% of the ranks of professor and 15% of senior lecturers in the 2001-2 academic year. In the business world, women workers have increased 38% between 1993 and 2004, but there was only a 1.1% increase in the management level. In 2004, female managers made up 4.9% of all female workers, while the corresponding figure for males was 11%. Furthermore, in 2004-5 females constituted 19% of all Executive Council members, and 10.5% of all bureau heads in the government. See *Ming Pao*, March 5, 2006.

[82] The Equal Opportunities Commission is also responsible for implementing the Disability Discrimination Ordinance, and the Family Status Discrimination Ordinance.

3.5.3 CS actions to promote gender equity. Most of the respondents of the CSO survey (58.9%) could name at least one activity organised in the past year to promote gender equity. However, half of them (49.5%) felt that civil society's role in promoting gender equity was limited or insignificant.

There are CSOs working to promote gender equity, a more vocal group being the Association for the Advancement of Feminism, which is rather critical of the gender stereotypical portrayal of women in the media, and the government's lack of a "zero-tolerance-against-domestic-violence" policy.[83]

3.6 Poverty Eradication

This subdimension evaluates the efforts of civil society in minimising poverty. Table III.3.6 summarises the respective indicator scores.

TABLE III.3.6: Indicator assessing poverty eradication

Ref. #	Indicators	Score
3.6.1	CS actions to eradicate poverty	2
Note: *Very low(0)---limited(1)---moderate(2)---significant(3)*		2.0

3.6.1 CS actions to eradicate poverty. Probably because of the downturn in the economy since 1998, poverty eradication has been prominent on the public agenda. Most of the participants in the Stakeholder Consultations recognised the importance of poverty eradication. Similarly, the CSO survey reported that 67.1% of the respondents were able to recall at least one public event aiming to alleviate poverty in the previous before. As to the role of civil society in addressing this issue, 36.9% believed it to be important and moderately important, 43.0% limited, and 9.1% of no consequence at all. The remaining 11.0% were uncertain about the effectiveness of the work of civil society.

Many CSOs have programmes to help the poor. Both the St. James' Settlement[84] and the Kwun Tong Methodist Church[85] organise food banks to collect the public's food donations and distribute them to the needy. St. James' Settlement is the first CSO to introduce the LETS (local exchange trading system) in which residents in the neighbourhood use products or services instead of money as the medium of exchange. Moreover, alliances are formed to alleviate poverty; Livelihood 21 is made up of over 20 groups to, among other aims, push for government action to narrow the widening gap between the rich and the poor;[86] and the End Child Poverty project, a cross sectoral effort of business, professional and social services groups, aims to identity the causes of child poverty and make policy recommendations to combat child poverty[87]. The Hong Kong Council of Social Services and the Society for Community Organisation have conducted many advocacy and public education programmes aiming at promoting public understanding and acceptance of the problem. Through the joint efforts of CSOs as well as political parties, the Government finally set up a Commission on Poverty in 2005.

[83] <http://www.aaf.org.hk>
[84] <http://www.sjs.org.hk>
[85] <http://www.ktmc.org.hk>
[86] <http://www.hkccla.org.hk/text/index.asp>
[87] <http://www.hkcss.org.hk/cb4/ecp/index.htm>

3.7 Environmental Sustainability

This subdimension investigates the work of civil society in the area of environmental sustainability. Table III.3.7 summarises the respective indicator scores.

TABLE III.3.7: Indicator assessing environmental sustainability

Ref. #	Indicators	Score
3.7.1	CS actions to sustain the environment	2
Note: Very low(0)---limited(1)---moderate(2)---significant(3)		2.0

3.7.1 CS actions to sustain the environment. Civil society's effort in environment protection is generally recognised, as 69.9% of the respondents of the CSO survey were able to recall at least one public event for environment protection in the last year. As to the effectiveness of civil society's effort, the respondents' views were, however, divided. While 41.8% judged civil society's work to be moderately or very important, 43.0% thought it had only limited effect, and 4.0% believed it to be inconsequential.

Representatives of environmental groups in the Stakeholder Consultations have a few grievances. They pointed out that environmental sustainability had not been accorded high priority in society in general, and by CSOs in particular. Among CSOs, there was a misconception that promotion of the value of environmental sustainability was to be reserved for environmental groups only, and there existed a common failure to see the linkage between environmental sustainability and equal rights to life. That environmental protection is not highly valued in society is supported by the findings of the SC survey. The proportions of respondents agreeing (48.2%) and disagreeing (49.7%) to the statement "Environmental protection is more important than economic development" are practically the same.

There are quite a few environmental CSOs in Hong Kong. International environmental groups such as World Wide Fund, Friends of the Earth and Greenpeace are active in Hong Kong. In addition, there are also local groups, the oldest one being the Conservancy Association, which is concerned with sustainable development and the conservation of both natural and cultural heritage.[88] There is also Green Power, a local group concerned with environmental education and natural conservation in particular.[89] Furthermore, the Business Environment Council, which was established in 1989 by 17 big corporations, has grown into a network of over 20,000 companies today. It advocates sustainable development while remaining commercially competitive. Recently, the government's continual action to reclaim land from the Victoria Harbour[90] has prompted the formation of new groups such as the Citizen Envisioning @ Harbour,[91] a cross-sectoral alliance, and the Harbour Business Forum,[92] an off-shoot of the Business Environment Council. Both groups promote a holistic approach and a public engagement model in the development of the Victoria Harbour.

[88] It was established in 1968. In addition to environmental protection and education, it is also very active in monitoring the government with regard to environmental sustainability and cultural heritage issues (<http://www.conservancy.org.hk/index_E.html>).

[89] <http://www.greenpower.org.hk/index_e.html>

[90] The Victoria Harbour separates the Hong Kong island from the Kowloon peninsula and is considered a landmark of Hong Kong.

[91] <http://www.arch.cuhk.edu.hk/serverb/resch/livearch/main.html>. One of its convenors, Albert Lai, has successfully persuaded the government to establish the Harbourfront Enhancement Committee and to engage the public on issues about Victoria Harbour's development. Seven members of Citizen Envisioning @ Harbour have been appointed to serve in the Harbourfront Enhancement Committee.

[92] It seeks to engage relevant stakeholders and the government to come to an agreed upon plan for the development of the harbour. See <http://www.harbourbusinessforum.com/eng/welcome.asp>.

Despite the perceived division of labour among environmental CSOs, environmental sustainability has gained increasing public attention in recent years. Few would question the role of environmental CSOs in promoting public awareness and education on matters about conservation, clean air, recycling, waste reduction and cultural heritage, just to mention a few. Since issues of environmental sustainability often involve city planning and business and commercial interests, to what extent these environmental CSOs get what they propose is a much more complicated question.

Conclusion

The extent to which Hong Kong civil society practises and promotes positive social values is moderate. It is found that society basically practises and promotes tolerance, gender equity, poverty eradication and environmental protection. However, for various reasons, democratic practices and financial transparency within CSOs are found to be limited. Civil society actions to promote transparency are also inadequate.

4. IMPACT

The IMPACT dimension of the CSI aims to evaluate how active and successful civil society is in achieving certain goals. These goals include influencing public policy, holding the state and private corporations accountable, responding to social interests, empowering citizens and meeting societal needs. The IMPACT dimension of Hong Kong's civil society gets a score of 1.9, indicating that its impact is moderate.

The impact of civil society is:

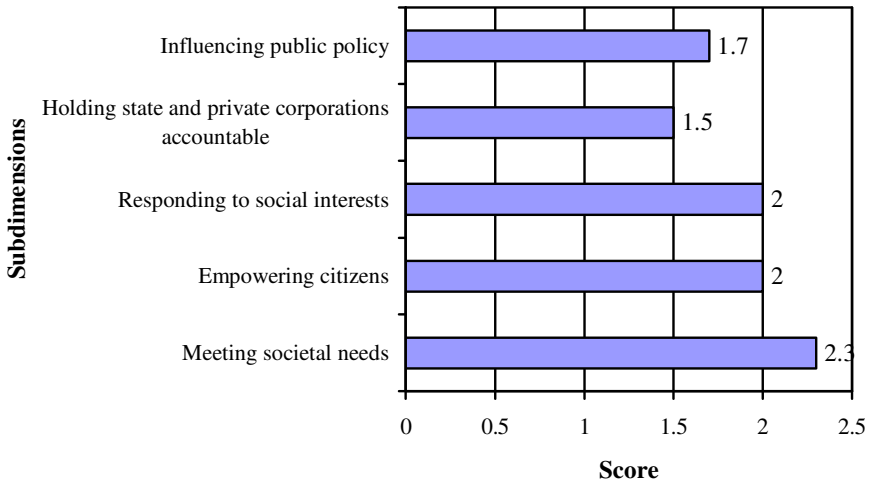
(1.9)

0----------1----------♦-2----------3

Insignificant Limited Moderate Significant

The scores of the five subdimensions of IMPACT are presented in Figure III.4.1.

FIGURE III.4.1: Subdimension Scores for IMPACT



4.1 Influencing Public Policy

This subdimension analyses how much influence CSOs have in influencing public policy. Table III.4.1 summarises the respective indicator scores.

Table III.4.1: Indicators assessing influencing public policy

Ref. #	Indicators	Score
4.1.1	Human rights policy (Art 23 legislation)	3
4.1.2	Social policy (Youth unemployment)	1
4.1.3	Budgetary process	1
Note: Insignificant(0)---limited(1)---moderate(2)---significant(3)		1.7

According to the CSI methodology, three policy case studies have been undertaken: the budgetary process, youth unemployment[93] and the Article 23 legislation, which is considered a human rights issue.[94]

The three cases indicate that CSOs are active to varying degrees in their attempt to influence government policy. However, their efforts may not be concerted and their plan haphazard. Institutionalised channels of communication between the government and CSOs are weak, if not entirely absent. As such, the mass media is regarded by some CSOs as the most effective channel to have their voice heard. The feeling of powerlessness is pervasive among CSOs, including those which have access to top government officials. At the same time, though CSOs may only have limited impact on policy making, they are fairly successful in sensitising society to important issues and play an important role in public education.

4.1.1 Human rights policy. Article 23 of the Basic Law requires Hong Kong to enact laws to prohibit treason, sedition, subversion, secession and theft of state secrets. In September 2002, the government released proposals for legislating Article 23. Eventually, the proposed legislation was seen as posing serious threats to the basic rights and freedoms of the people. Half-a-million individuals had reportedly taken to the streets on July 1, 2003 to oppose the proposed bill (and the government). In the end the government withdrew the bill from the Legislative Council.

CSOs played an important role in influencing the development of the Article 23 case. CSO leaders and activists reshaped public discourse, provided an alternative source of public trust, and highlighted certain societal core values. The significance of CSOs cannot be overstated.

Sensitising the public to the implications of the proposed legislation and reframing public discourse were arguably CSOs' most significant impact on this case. When the government released the proposals in September 2002, public sentiment was that of aloofness or general acceptance. Government officials emphasised the necessity and the leniency of the proposals. It was CSO leaders (particularly barristers, journalists and individuals from religious and human rights groups) who successfully convinced the public that the devil was in the detail and that the proposals warranted a more thorough consultation than that offered by the

[93] The youth unemployment rate peaked in 1997 and continued to stay very high by local standards. Based on statistics released in August 2005, the unemployment rate of youth aged 15 to 19 was 29% between May and July 2005.

[94] Article 23 of the Basic Law, the mini constitution of HKSAR, states that the HKSAR government shall enact local laws to prohibit national security offences, some of which are novel to the common law tradition in Hong Kong, and some are even more stringent than comparable laws in the PRC. The people of Hong Kong feared that Article 23, if passed, would curtail the degree of freedom that society was enjoying at the time.

government at the time. By reframing the public discourse from general acceptance to the need for further consultation (because the proposed bill posed a greater threat to human rights than the government led society to believe), CSO leaders provided an alternative source of public trust and effectively challenged the authority of the government.

The government did in the end stop the legislative process; the influence of CSOs to this end was, however, only *indirect*. Even after the July 1 2003 rally, the government insisted on proceeding with the legislative process. The government decided to withdraw the bill only after it realised that it would not be able to secure sufficient votes to pass the bill. The government had not yielded to public pressure and thus CSOs' impact on the decision of the government to shelve the bill was at best indirect.

Throughout the anti-Article 23 movement, CSOs highlighted several key societal values: freedom (especially of speech and information), due process, genuine public consultation and respect for public views by those in power.

There were certain new developments in the civil society structure arising from the anti-Article 23 campaign. New political groups (such as the Article 23 Concern Group) and CSO alliances (such as the Civil Human Rights Front (CHRF)) were formed. Hong Kong also saw the emergence of loose cyber networks of activists, youth groups and public affairs concern groups. The sustainability of these new groups and networks remains to be seen. Actually, the role of CHRF (the chief organiser) in the July 1 2003 demonstration could not be overstated, for it claimed to have been more administrative than mobilising. As far as existing human rights and democracy groups are concerned, there is no evidence that they have grown much in resources, size and influence. The influence of religious groups and professional groups (such as journalists and medical doctors) calls for further attention because they used to be less vocal on political issues.

4.1.2 Social policy. Youth unemployment has been a fairly serious issue in Hong Kong. The unemployment rate of youth between the age of 15 and 19 was 29% in the period from May to July 2005. The extent of the problem prompted the government to allocate extra resources to this area and, with the help of CSOs, the Youth Pre-employment Training Programme (YPTP) and the Youth Work Experience and Training Scheme (YWETS) are being set up.

CSOs' efforts to alleviate youth unemployment were uncoordinated, and at times CSOs even found themselves competing with each other for a common pool of resources. CSOs have both formal and informal channels of communicating their ideas to government officials. However, they were not sure about the extent to which their views or suggestions were taken up by the government.

CSOs that are concerned with youth unemployment commonly define their role as service providers and seldom engage in policy advocacy. To provide services, CSOs usually turn to the government for resources, and in this case to YPTP and YWETS. As such, the work of CSOs is limited in some ways so as to maintain a good relationship with the government. Their work is also confined by the specifications of YPTP and YWETS, leading them to be seen as an executive arm of the government.

CSOs appeared to be able to stimulate public concern for the seriousness of youth unemployment. Their work to train and provide job opportunities to youth can be seen as a

form of capacity building. Apart from providing services, the idea of organising a "youth council" to declare the needs and articulate the opinions of youth has been suggested, but has yet to materialise.

The study of CSOs on the issue of youth unemployment typifies the situation of many welfare CSOs in Hong Kong. They see themselves as service providers, they rely heavily on government funding, and thus submit to maintaining a reasonably good relationship with the government. Competing for a common pool of resources creates a sense of distrust among CSOs. They usually have channels of communication with the government, some of them institutionalised and others informal. Very often, they are uncertain about whether their suggestions are being taken up by the government and thus the feeling of powerlessness is pervasive.

4.1.3 Budgetary process. The budgetary process in Hong Kong has certain specific characteristics. First and foremost, the Basic Law stipulates that the government shall maintain a balanced budget. This may provide the government with a powerful shield against demands from various CSOs, many of which are concerned with the expenditure side of the budget. Secondly, Hong Kong has a narrow tax base with structural deficits. The Hong Kong government's major sources of revenue are profits tax, salaries tax and land sales, all of them being highly contingent on the overall economic conditions. The reliance on such sources also means that the tax burden is concentrated on a small group in society.

The study of the budgetary process shows that not all CSOs have well developed working plans targeted to the budget per se. The existence of such plans depends on the nature and resources of the CSOs concerned. There exists remarkable variation among CSOs in the level of access to officials with regard to whom they meet and how often the meetings take place. Professional groups such as the Taxation Institute and the Hong Kong Institute of Certified Public Accountants tend to hold regular meetings with government technocrats. Their work may contribute to the refinement of the taxation arrangement, but it is unlikely that they will have any impact on the budget or any government policies. Welfare organisations may have relatively more opportunity to each higher echelon of the government, and even the Chief Executive. In contrast to these CSOs, the Hong Kong Chamber of Commerce has regular and frequent access to high government officials such as the Financial Secretary.

CSOs tend to use a similar set of advocacy and lobbying strategies: written submissions, approaching political parties and Legislative Councillors, lobbying officials and appealing to the media and the public. While CSOs are sometimes able to shape the public agenda, this power should not be exaggerated. In particular, the media and public opinion may at times be unfavourable to the work of welfare groups because of the prevalence of a laissez-faire economic ideology.

The study of budgetary process shows that CSOs engage in some form of collaboration with other CSOs and with political parties as well. However, this kind of collaboration is neither strong nor significant. Collaboration with CSOs from different sectors is not common for reasons that it may be hard to identify common interests and coordination may be very time-consuming.

Most CSOs in the study agree that they have very little impact on the budget. They believe that the government already has clear views by the time it approaches them, and that any of

their comments can at most lead to minor amendments. The Hong Kong General Chamber of Commerce may be an exception, for it is fairly confident of its role in influencing the budget.

In conclusion, the budgetary case shows that CSO participation is largely formal and not substantive. There is apparent inequality within civil society in terms of access to government officials. Collaboration among CSOs, both within sectors and across sectors, is not strong and, all in all, the impact of CSOs is rather weak.

4.2 Holding the State and Private Corporations Accountable

This subdimension measures the effectiveness of civil society in holding the state and private corporations accountable. Table III.4.2 summarises the respective indicator scores.

TABLE III.4.2: Indicators assessing holding state and private corporations accountable

Ref. #	Indicators	Score
4.2.1	Holding the state accountable	2
4.2.2	Holding private corporations accountable	1
Note: Insignificant(0)---limited(1)---moderate(2)---significant(3)		1.5

4.2.1 Holding the state accountable. The majority of the respondents of the CSO survey believed that Hong Kong civil society was active to varying degrees in holding the state accountable (quite active—41.4%, active—23.2%, very active—3.7%). About half of the respondents (50.1%) deemed those efforts to be successful. However, newspaper reports of actions taken by CSOs about holding the state accountable were minimal; these reports only made up 1.3% of all reports concerning the impact of CSOs.[95]

There are quite a number of CSOs keeping the government in check. CSOs whose concerns are to advance democracy and uphold human rights are particularly vocal. The Hong Kong Human Rights Monitor, the Hong Kong Journalists Association and the Justice and Peace Commission of the Hong Kong Catholic Diocese are just a few examples in this regard. The Hong Kong Human Rights Monitor makes regular submissions or presentations to the UN on Hong Kong's human rights situation. Allegations of violations of human rights will often draw public attention and responses from the government. Hong Kong society is aware of their rights as citizens. With the help of human rights concerned CSOs and political parties as well, the government is usually kept on its toes.

4.2.2 Holding private corporations accountable. The idea of civil society holding private corporations accountable is only recently beginning to take root in Hong Kong. As shown in the media review of newspapers, holding private corporations accountable constituted only 2.4% of all entries relating to CSOs' impact. Although not as many respondents in the CSO survey thought that civil society was actively holding private corporations accountable, the figure still stood at a respectable 52.3%. However, only 32.8%

[95] The discrepancy could be due to the HK CSI research team's decision to exclude political parties as CSOs. The decision was based on two reasons. First, the political system in HK does not allow a political party to become a ruling party. The role of a political party is thus limited and could at most be likened to an opposition party in western democratic countries. Because of their role as opposition parties, the inclusion of political parties as CSOs would greatly skew the result of the media review in favour of CSOs supporting democracy-related values and actions. Second, it is common for CSOs in Hong Kong to regard political parties as part of the political system and thus different from other CSOs. In short, CSOs generally do not see political parties as part of them.

of the respondents regarded these efforts as successful, whereas 42.1% saw them as unsuccessful, and 25.1% were uncertain.

It is understandable that there are not as many CSOs taking action to hold private corporations accountable. As a participant in the Stakeholder Consultations suggested, it was difficult to hold corporations accountable for the simple reason that CSOs lacked legitimate access to business information. It appears that in instances where the private sector is held accountable, they are mostly related to consumer interests. Greenpeace has protested about genetically engineered (GE) food and advocated for GE labels. The media have also exposed shops selling food which contain excessive substances that are damaging to the human body, mechanical devices that are not safe, and/or outdated or over-priced items.

As far as corporate transparency or the monitoring of corporate activities' social and environmental impacts are concerned, Hong Kong civil society seems to be lagging behind. An exception can be found in civil society's collective effort in the opposition to two property developers' plans to demolish the Hunghom Peninsula, seven brand new, unoccupied residential towers, in 2004.[96] In this rare case, not only had civil society come together in its action; it was successful in stopping the building from being torn down. This is, however, unusual. There are calls from CSOs for more environmentally sustainable practices, such as simple packaging, using recycled materials, reducing plastic bags, adjusting the temperature in air-conditioned places, etc, but they have not been very successful thus far.

4.3 Responding to Social Interests

This subdimension finds out how responsive CSOs are to social interests and whether they are able to gain public trust. Table III.4.3 summarises the respective indicator scores.

TABLE III.4.3: Indicators assessing responding to social interests

Ref. #	Indicators	Score
4.3.1	Responsiveness (CS actors responding to concerns)	2
4.3.2	Public trust	2
Note: Insignificant(0)---limited(1)---moderate(2)---significant(3)		2.0

4.3.1 Responsiveness. Participants in the Stakeholder Consultations show a positive assessment regarding CSOs in meeting social needs, empowering citizens and responding to social interests. With a predominantly service orientation, CSOs could better understand the needs of their clients and devise innovative modes of service delivery to meet those needs.

Over half of the respondents in the CSO survey (55.0%) were able to give an example in which civil society provided services to the community. Among those examples, the targets of the services provided were mostly the general public (46.1%) and the poor (23.2%).[97] CSOs' work to respond to social interests was captured by the media as well. The media review shows that among various aspects of the impact of CSOs, responding to social

[96] Due to a change in public housing policy, the government sold the Hunghom Peninsula housing estate to two property consortia at below market price. The developers planned to tear down the newly completed buildings for luxurious apartments. The plan was considered an environmental disaster and an example of greed and wastage for the young, and thus resulted in intense civil society opposition.

[97] Women as a target of services constituted only 1.2%, while other groups made up another 26.4%.

interests accounted for 24.7% and 19.0% respectively of all print and broadcast media articles monitored.

4.3.2 Public trust. The Global Barometer Governance Indicators (2001-2) surveyed people's trust in particular institutions. Table III.4.4 contains information on Hong Kong and how Hong Kong differs from the average of some East Asian countries: [98]

TABLE III.4.4: Trust in selected institutions

Institutions	% positive (i.e. "a great deal of trust" +"quite a lot of trust") in HK	HK difference from East Asian mean
Parliament/Congress	52	9
Political parties	22	-13
Courts	70	14
Army, military	62	-3
Television	61	-6

The courts commanded the trust of the greatest percentage of the people of Hong Kong (70%) among the five institutions surveyed, followed by the army/military, television and the parliament/congress. Political parties gained the trust of only 22% of the respondents. If comparison is drawn with other East Asian countries including Japan, Korea, Mongolia, People's Republic of China, Philippines, Taiwan and Thailand, the people of Hong Kong had less trust in their political parties, television, and the military, while they had higher trust in the courts and the parliament (the legislature in the local context).[99] Although the information contained in Table III.4.4 is not directly related to trust in civil society actors, they serve as a basis for comparison.

4.4 Empowering Citizens

This subdimension looks at how successful civil society is in empowering marginalised groups in terms of various forms of capacity building. Table III.4.5 summarises the respective indicator scores.

TABLE III.4.5: Indicators assessing empowering citizens

Ref. #	Indicators	Score
4.4.1	Informing/ educating citizens	3
4.4.2	Building capacity for collective action	2
4.4.3	Empowering marginalised people	1
4.4.4	Empowering women	2
4.4.5	Building social capital	2
4.4.6	Supporting livelihoods	2
Note: Insignificant(0)---limited(1)---moderate(2)---significant(3)		2.0

4.4.1 Informing/educating citizens. CSOs are doing well in keeping citizens informed and educating citizens. The CSO survey reported that 65.0% of respondents thought that civil society has been keeping the public informed or engaging in public

[98] <http://www.globalbarometer.org/governanceindicators/>

[99] For the institutions that were also included in the SC survey, the results were similar. However, the respondents of the SC survey accorded even higher levels of trust to the Independent Commission Against Corruption (8.15 in a scale ranging from 1 to 10, with 10 indicating complete trust), and the Ombudsman (7.47) than the police (7.08), the judicial system (6.75), the media (5.37) and political parties (4.80).

education. Over half of the respondents (52.7%) felt positive about these efforts. Furthermore, as this report has mentioned earlier, the Article 23 case is exemplary with regard to public education on democracy, civil rights and liberty. Other issues such as environmental protection and sustainability, consumer rights as well as globalisation are part of the public discourse. The media review confirmed this observation. Informing and educating citizens topped all entries of CSOs' impact. They constituted 41.2% and 57.0% of the print and the broadcast media items respectively.

4.4.2 Building capacity for collective action. There is a long history of welfare CSOs engaging in self-help initiatives. Many self-help / mutual-help groups have been formed through the deliberate effort of such CSOs. Examples include groups composed of parents of mentally handicapped children, ex- mentally handicapped persons, people suffering from chronic diseases, elderly people or women. Many of such self-help groups later become service providers; they advocate and provide a platform for mutual support and self-empowerment.

Despite the efforts of CSOs, less than half of the respondents in the CSOs survey (47.4%) felt that civil society was active in building capacity for collective action but, at the same time, 35.5% of the respondents were not sure. A full 22.0% of the respondents said that civil society failed in this exercise of capacity building, and 40.5% said they did not know. This is not surprising for this aspect was not reported in the newspaper very often, but only made up 5.9% of all entries of CSOs' impact in the print media.

Also, according to participants in the Stakeholder Consultations, there was a certain dynamic at play. On the one hand, CSOs realised the need to seek strategic alliances with other CSOs bearing similar missions in order to make the government take them seriously and to increase their bargaining power with the government. On the other hand, CSOs of similar nature often compete with each other for resources. As the government has reduced its budget and changed the funding formula in recent years, such competition was keen, thereby somewhat undercutting CSOs' motivation to cooperate.

4.4.3 Empowering marginalised people. Most CSOs in Hong Kong work primarily in the area of service provision. With keen competition for resources, CSOs are to a great extent responsive to the needs and interests of marginalised people such as the poor, the handicapped and others. Furthermore, there are a number of CSOs which not only provide services, but also aim to empower minorities or marginalised groups. Society for Community Organisation is very active in helping and fighting for the rights of minorities such as new immigrants, the unemployed and the elderly.[100] The Hong Chi Association[101] and Fu Hong Society[102] are both working to provide mentally handicapped individuals with education, job training and job opportunities. They promote community understanding and acceptance, as well as the rights of the mentally handicapped. The Rehabilitation Alliance Hong Kong co-ordinates all categories of the disabled and it fights for "full participation and equal opportunity" in social affairs. The Chi Heng Foundation and Civil Rights for Sexual Diversities both champion equal opportunities and rights for people with different sexual

[100] It is also well known for its work in fighting for the right of abode of mainland Chinese who have families in Hong Kong. See <http://www.soco.org.hk>

[101] It is currently serving 6,000 individuals with different levels of mental disability and provides support to their families. It has 64 service units and claims to be the largest NGO in Hong Kong. See <http://www.hongchi.org.hk>.

[102] Fu Hong Society also helps people with physical disabilities. See <http://www.fuhong.org>.

orientations. Unison Hong Kong campaigns for curricula that better suit ethnic minorities and an anti-racial discrimination law.

4.4.4 Empowering women. Empowering women has not been a top priority of Hong Kong society in the last two decades or so. Since the implementation of universal education in the seventies, girls have the same opportunity as boys to receive education. By 2001, the percentage of females (15.1%) with tertiary education was only slightly lower than that of males (17.8%). In 2001, women students in tertiary institutions made up more than half of the enrolment.[103] Furthermore, Hong Kong's law prohibits gender discriminatory practices. Hong Kong civil society has therefore not been very active in empowering women[104] and there are only a few CSOs that continue to work in this endeavour. The Hong Kong Women Workers' Association speaks up for underpaid female workers who are often employed in contracted-out jobs, and marginalised female workers.[105] The Hong Kong Federation of Women's Centres works on various issues. Its main focus is to enhance women's well being, and to promote women's independence and confidence, as well as gender equality.[106] Also, Ziteng promotes the interests of female sex workers. It provides legal and educational assistance to them and advocates the mainstreaming of sexual workers.[107]

Recently, there is a rising trend in family violence, and women are the victims in the majority of these cases. The number in 2005 was 2,784, representing a 21.5% increase from the year before.[108] A few bloody cases of family violence have attracted heavy media coverage and aroused societal concern. There are CSOs or branches of CSOs which are concerned specifically with this issue. Kwanfook is a good example. It is a self-help and mutual aid group formed by about 130 women who suffered from domestic violence. It aims to raise abused women's awareness of gender issues and to advance gender equality. The Association for the Advancement of Feminism has also been vocal on this issue.

4.4.5 Building social capital. There is a list of questions in the SC survey asking the respondents to judge whether a certain group contributed or undermined social cohesion in Hong Kong. These questions could be taken as a proxy of the extent of social capital. The results show that civil society actors (academics, professional associations, the mass media, religious organisations/leaders, labour unions/leaders and business chambers) have in general gained a respectable level of trust which was even higher than that of principle officials in the government. The result is summarised in the following table:

[103] Census and Statistics Department, HKSAR, PRC. (2002) *Population Census 2001, Main Report – Volume 1.* Hong Kong, HKSAR Government, p. 92.
[104] This is reflected in the media review, for only 0.7% of all newspaper reports and none in the broadcast media of CSO impact were about empowering women.
[105] <http://www.hkwwa.org.hk>
[106] <http://www.womencentre.org.hk>
[107] <http://www.ziteng.org.hk>
[108] The figure is reported by the police. See *Ming Pao*, January 25, 2005

TABLE III.4.6: Perceived effects of various groups/forces on social cohesion

Civil Society Actors	Mean scores
Academics	6.59
Professional associations	6.28
Mass media	5.89
Religious organisations/leaders	5.83
Labour unions/leaders	5.74
Business tycoons/chambers	5.26
Other Forces/Groups	
Police	6.73
Pro-democracy groups	5.26
Government principle officials	4.90
Pro-China groups	4.70
Note: Scores range from 1-10, scores above the mid-point 5.5 indicate a tendency towards the building of social cohesion, below 5.5, undermining social cohesion.	

In addition, CSOs have begun investing efforts in building and sustaining different forms of social capital. The Hong Kong Council of Social Services, for instance, is itself an umbrella organisation composed of over 300 social welfare CSOs and has thus contributed to the building of social capital among member CSOs. It has in recent years invested in building bridging social capital through developing partnership with other professional and environmental protection organisations. Moreover, it launched the "Caring Company" scheme in 2002. The scheme encourages private companies to participate in philanthropic activities and social services. It has been favourably received since its inception and is still gathering momentum.

4.4.6 Supporting livelihoods. The unemployment rate in Hong Kong before the early 90s was at a low level for more than a decade, and hence CSOs' efforts in creating employment mainly focused on helping people with disabilities. Sheltered workshops and supported employment programmes were the most common types of services. Since the mid-90s, more and more CSOs including welfare, labour and self-help organisations have developed new projects and new modes of services with a focus on addressing income generation issues. Social enterprises, including social co-operatives, have since then gained much attention. In a survey conducted by the Hong Kong Council of Social Services in early 2006, there were 43 CSOs operating or providing support to 172 social enterprise projects, which did not only target creating jobs and income-generating operations for vulnerable groups, but also the promotion of mutual-help and capacity building.[109] The concept of social enterprise is only at its initial stage of development in Hong Kong but is gaining popularity. In fact, the Hong Kong Council of Social Services has recently established a website to introduce the concept and help interested parties to get started.[110] Considering the decrease in resources, particularly among government funded or subsidised CSOs, social enterprise offers a promising way of resource generation as well as job creation and training.

4.5 Meeting Societal Needs

This subdimension explores how successful civil society is in meeting societal needs. Table III.4.7 summarises the respective indicator scores.

[109] <http://www.socialenterprise.org.hk/eng/localse.htm>
[110] See <http://www.socialenterprise.org.hk/eng/index.htm>

TABLE III.4.7: Indicators assessing meeting societal needs

Ref. #	Indicators	Score
4.5.1	Lobbying for state service provision	2
4.5.2	Meeting pressing societal needs directly	2
4.5.3	Meeting needs of marginalised groups	3
Note: Insignificant(0)---limited(1)---moderate(2)---significant(3)		2.3

4.5.1 Lobbying for state service provision. Welfare CSOs used to be active in major welfare planning and policy making mechanisms of the Government. They were able to raise issues of major social concern and work with the Government to identify measures in response. However, the Government suspended all such formal and regular planning exercises after 1998, probably as a result of budget deficits. Since then, the involvement and influence of CSOs has become sporadic and informal. Some CSO impact on government policy, however, can be detected. An example is the setting up of the Poverty Commission in early 2005 to enhance policy coordination and integration among government departments. The idea of setting up such a commission was put forward to the government by the Hong Kong Council of Social Services.

Since most work on lobbying for government service provision was carried out by social welfare CSOs, not many respondents (21.6%) of the CSO survey were able to give an example of civil society's effort in lobbying the government to address societal needs. Over half of them (53.7%) were unable to give an example and a quarter (24.7%) simply did not know. Nonetheless, among those who were able to cite an example, most of them thought that the effort was successful (78.2%). Of all newspaper reports on CSO impact, only 4.4% were related to lobbying the government for service provision. It has received higher attention in the broadcast media, for it carried 13.9% of all reports on civil society's impact.

Since the last decade there has been an active discussion of division of labour in the health care services. As the government provides more than 90% of in-patient health care, the private market is lobbying for a major change in the mode of health care financing. The participation of CSOs in this debate is, however, not on market share issues but whether patients, especially those with chronic diseases or from lower classes, would be denied access to quality services. There were also some discussions on the share of the government and CSOs in the provision of education and welfare services, which are mainly funded by the Government, but they have not become key social issues.

4.5.2 Meeting pressing societal needs directly. Most respondents of the CSO survey (62.7%) felt that CSOs were significant or fairly significant in directly meeting societal needs. Nonetheless, these efforts escaped the media for only 6.4% of all CSO impact reports in this regard appeared in the press. CSOs contribute significantly to the delivery of essential services in Hong Kong. As a matter of fact, more than 90% of social welfare services are provided by CSOs.

4.5.3 Meeting needs of marginalised groups. Now and in the past, CSOs have been active in initiating new and innovative projects to meet the needs of marginal groups. The nature and types of services offered by CSOs have always reflected the socio-economic conditions or the social needs of society at the time. In the mid 50s, Hong Kong was faced with a huge influx of refugees and CSOs were active in relief services. In the 70s, due to the improved economic environment and growing involvement of the government, CSOs were

able to assume a pioneering and innovative role in providing health, education and social welfare services. In the late 90s and early 2000s, due to the economic downturn, an increased portion of the population is being marginalised as a result of poverty and its related problems such as family violence, youth unemployment and so on. Despite economic constraints, CSOs are still striving to meet the needs of marginal groups.

Conclusion

Overall, the impact of CSOs on society and the government is moderate. It is hard to ascertain the impact of civil society on public policy. It appears that the effect of civil society on policy making is only limited, unless the proposed policy is fervently opposed by a significant number of the citizenry.

CSOs are quite significant in meeting the needs of society. CSOs do respond to social concerns, and they play an important role in public education. They are also fairly effective in building capacity for collective action, empowering women, building social capital and supporting livelihoods. They need, however, to work harder to empower marginalised groups and to hold private corporations accountable.

IV STRENGTHS AND WEAKNESSES OF HONG KONG CIVIL SOCIETY

The Civil Society Index project examines the state of civil society from the four dimensions – STRUCTURE, ENVIRONMENT, VALUES and IMPACT. From the 25 sub-dimensions and 74 indicators, we have achieved a fairly comprehensive view of the extent of civil society in Hong Kong. Moreover, such a detailed breakdown of the different aspects of civil society allows us to have a closer look at the strengths and weaknesses of civil society and to reflect on the steps to be taken to strengthen it. The CSI research team analysed the scores of the CSI diamond and came to the following views about the strengths and weaknesses of civil society in Hong Kong.

1. STRENGTHS OF HONG KONG CIVIL SOCIETY

On the basis of our findings and the scores awarded by the advisory group, we conclude that the strengths of Hong Kong civil society lie in its

1. Enthusiasm in advocating ideas and values
2. Ability to shape public agenda and challenge public policy, and
3. Robustness in responding to societal needs and providing services.

CSOs in Hong Kong have a long history of service provision; many of them actually started as charitable organisations or mutual aid groups. This tradition has continued into the present. In addition to service provision, CSOs have taken on new roles. As shown in the policy case studies, especially the legislation of Article 23, Hong Kong civil society is effective in public education and agenda setting. In the absence of a fully democratic government, CSOs' efforts in overseeing the government contribute significantly to upholding civil rights and freedoms in society, and to making certain that the government is responsive to societal needs and demands. Moreover, in the course of policy advocacy and information dissemination, values are reaffirmed and sometimes even created. This is an important process because values get to be publicly deliberated before they are accepted, hence facilitating a common understanding among citizens.

2. WEAKNESSES OF HONG KONG CIVIL SOCIETY

The major weaknesses of Hong Kong's civil society can be summed up as follows:

1. Low level of donation (as a proportion of individual income) and volunteering
2. Small proportion of people participate in CSOs
3. Under-developed institutional structure such as internal democracy and transparency
4. Insufficient resources including human, financial, technical and infrastructural
5. Few federations or umbrella organisations representing individual CSOs
6. Few platforms to promote meaningful dialogue among CSOs
7. Few civil society support organisations
8. Limited dialogue with the government and erratic participation in policy-making
9. Financial dependency of some CSOs on the government
10. Very limited dialogue or cooperation with the business sector
11. Society in general and the business sector in particular lack a strong sense of corporate social responsibility
12. Lack of an up-to-date set of non-profit or charity laws

2.1 Internal Weaknesses

Roughly speaking, items 1 to 4 are problems internal to CSOs. It has been suggested in the NAG meeting that the lack of donations could be related to the dependence of society on the government to fund CSOs. Since the 70s, the government has expanded its responsibility for the welfare of the population and from then on it has been the main provider of a vast majority of welfare CSOs. As the finances of these CSOs were taken care of, there has not been a serious effort to cultivate a habit of donations in the last three decades or so, since neither the need nor the urgency was there.

It is true that volunteering and membership in CSOs are both low when they are evaluated against figures from countries with similar levels of economic development. However, when compared longitudinally with data from the last three decades, a rising trend in both volunteering and CSO membership has been recorded.[111] The Hong Kong government has also been putting more effort into promoting volunteering in recent years. Coupled with the maturing of Hong Kong society and the development of a local identity, participation in civil society is expected to increase.

CSO democracy and transparency may be a problem. Although large CSOs are likely to have clearly stated leadership selection methods and most of them have a certain degree of democracy; smaller CSOs may not have explicit rules and, even when they have, they may not be strictly adhered to. It has been pointed out in the Advisory Group meeting that this problem could partly be a result of the low degree of CSO participation. There are not enough CS participants in the first place, and secondly, there is too little motivation and interest for CS participants to take an active role.

2.2 Relational Weaknesses

Items 5 to 7 are problems about relations among CSOs. They reflect that CSOs in Hong Kong are only loosely connected. There are not many umbrella organisations of decent size and CSOs do not have a common platform to work together. The fact that CSOs largely work individually can be partly attributed to the funding situation in Hong Kong. As mentioned in the Advisory Group meeting, more often than not CSOs compete against each other for a common pool of resources. Since the number of funding sources, be they government or private foundations, is limited, CSOs often find themselves competing with CSOs of a similar nature. The competitive aspect is sometimes a disincentive for CSOs to work together.

The socio-economic situation in Hong Kong in the past few years has, however, given rise to the formation of CSO alliances both within and across sectors. The economy of Hong Kong suffered two serious setbacks at the turn of the millennium. First, Hong Kong was hard hit by the Asian financial crisis beginning in 1998 and then the outbreak of Severe Acute Respiratory Syndrome (SARS) in 2003.[112] The economy was so bad that the unemployment rate reached an unprecedented high of 8.8% between May and August, 2003. Economic woes and dissatisfaction with the government emerged as common platforms for CSOs. Alliances have been formed to urge the government to alleviate economic agony and to pressure the

[111] Holliday, Ian and Tam, Waikeung. (2001) "Social Capital in Hong Kong," *East Asia: An International Quarterly*, 19 Spring , pp. 144-170.

[112] In the short period from the onset of the epidemic in mid-March 2003 to the end of May 2003 when it was being brought under control, over 1,700 individuals conrtacted the disease and it claimed a total of 299 lives.

government for accountability, transparency and democracy in general. Whether such alliances are sustainable and whether such experience fosters the formation of new alliances in the future remains to be seen.

2.3 External Weaknesses

Items 8 to 12 are concerned with problems external to CSOs. They show that relations between CSOs on the one hand and the government and the business sector on the other hand are far from satisfactory. The lack of dialogue between CSOs and the government often hinders their role in the policy process and results in unsatisfactory policies. This problem is especially acute in the welfare sector. The heavy dependence of welfare CSOs on public funding puts them in a subordinate position in the eyes of the government. As the government depends heavily on welfare CSOs for service provision, such an unequal relationship is unhealthy, for welfare CSOs resent being seen in a subordinate position. The perceived unequal relationship is likely to impede cooperation between welfare CSOs and the government.

Hong Kong is a commercial city; businesses are a substantial part of society. However, the relationship between CSOs and the business sector is distant at best. In fact, it is not unusual for CSOs to be distrustful of businesses. Considering all CSO activities taking place day in and day out, rarely are there events involving cooperation between CSOs and businesses, big corporations included. CSOs often see businesses as unsympathetic to CSOs. Furthermore, even when businesses collaborate with CSOs or sponsor their activities, they are seen to have been done for company image rather than for the promotion of a good cause. Recognising the potential contribution of the business sector to civil society, efforts to improve the relationship between CSOs and the business sector have been made in recent years. At the same time, the idea of corporate social responsibility is gradually emerging, which could signal the beginning of a closer interaction between the business sector and civil society. Nonetheless, it is still too early to assess whether or not the effort to promote cross-sectoral understanding and cooperation will bear fruit.

V RECOMMENDATIONS FOR THE FUTURE

In the afternoon of 29 April 2006, over sixty civil society actors took part in the Hong Kong Civil Society Workshop. Participants come from a wide variety of groups including, for example, minorities, arts and culture, religious, advocacy, professional, environmental, educational, political, uniform, and the mass media. There was a lively discussion in the workshop. Suggestions and recommendations are many and various; basically, they centre around five areas:

1. RESOURCES

Heavy dependence of CSOs on government funding has often been cited as a factor slowing down the growth of civil society. The government prescribes *what* needs to be done and *how* it should be done, which may hamper CSOs' responsiveness to societal needs and discourage creativity in meeting those needs. It is therefore suggested that CSOs ought to find funding sources other than the government and, in this endeavour, CSOs are advised to explore

- The feasibility of setting up community foundations and seeking more support from private foundations
- The possibility of setting up common mechanisms, like the BBB Wise Giving Alliance, to help solicit donations from the general public
- The establishment of a directory of potential donors
- The opportunity to generate wealth, making use of ideas such as social enterprise, which can create jobs for disadvantaged groups and bring in income for CSOs at the same time

2. COMMON PLATFORM

CSOs often work all on their own. Given the lack of resources, it is advisable for them to establish and maintain a dialogue with one another. It is suggested that CSOs create common platforms so that they can

- Share information
- Pool resources
- Devise division of labour
- Put pressure on the government or other relevant bodies

3. TRAINING AND RETAINING CS ACTORS

The unwillingness of individuals to be involved in civil society is a major weakness. CSO leaders also express the concern of retaining and motivating new staff and volunteers. To both ends, it has been proposed that

- CSO leaders be equipped with basic skills of organisational management set through training courses
- There should be a close fit between volunteers' work and their personal interests and abilities
- Internal democracy should be promoted to motivate aspiring CS actors to step up their involvement
- Incentives should be given to bigger or more experienced CSOs to help their counterparts
- CSO leaders and volunteers should be able to reach common understandings of reasonable expectations of both sides

4. RESEARCH AND ADVOCACY

To increase the capacity of CSOs and their bargaining power with the government and other relevant bodies, it is recommended that CSOs

- Strengthen their research capacity and skills
- Engage stakeholders in dialogue
- Form advocacy alliances

5. CIVIC EDUCATION

It has been found that the socio-cultural environment does not facilitate the growth of civil society. To alter this situation, civic education is deemed necessary in the long run. The following ideas have been put forward

- Instil the value of volunteering in the citizenry
- Inculcate the idea of social responsibility to encourage the citizenry to be responsible for their own behaviour
- Discourage society's dominant emphasis on pragmatism and promote a wider vision of the development of a good society
- Disassociate advocacy from negative images of chaos, protests and hooliganism
- Encourage students to take part in volunteering
- Explore the possibility of awarding credits to college students for volunteering work

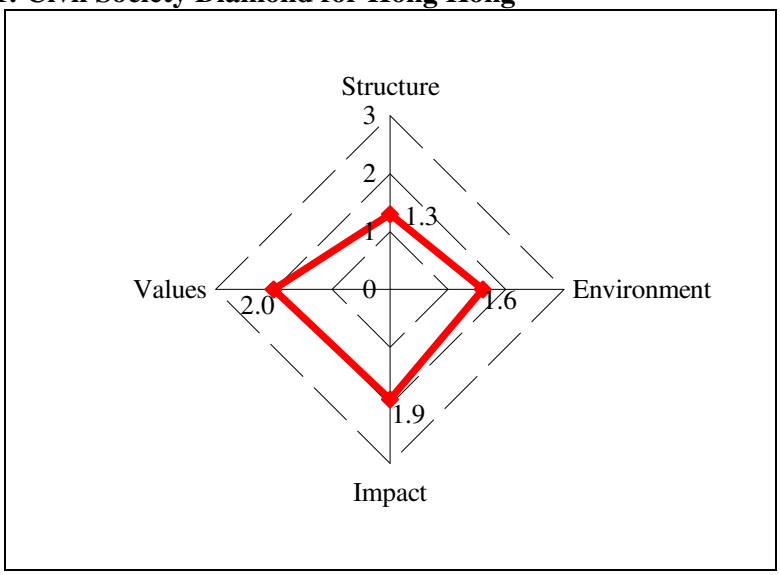
The above list consists of recommendations of civil society stakeholders to overcome the weaknesses of Hong Kong civil society. Some of these suggestions are easier to take up than others, some involve longer term commitment and others entail the work and cooperation of forces external to civil society. These suggestions represent the synergy stemming from the experiences of active civil society actors from various fields. They are indeed valuable starting points for Hong Kong civil society to move forward.

VI CONCLUSION
HONG KONG: A VIBRANT BUT LOOSELY ORGANISED CIVIL SOCIETY--

1. CIVIL SOCIETY DIAMOND FOR HONG KONG

Of the four dimensions of the Civil Society Diamond, VALUES (2.0) and IMPACT (1.9) received higher scores than STRUCTURE (1.3) and ENVIRONMENT (1.6). Before presenting the recommendations of ways to promote civil society in Hong Kong, we will try to give a general picture of the state of civil society on the basis of the scores of the diamond.

FIGURE VI.1.1: Civil Society Diamond for Hong Kong



1.1 The STRUCTURE Dimension

TABLE VI.1.1: Sub-dimension scores of the STRUCTURE dimension

	Scores
Breadth of citizen participation	1.6
Depth of citizen participation	0.7
Diversity of civil society participants	1.5
Level of organisation	1.2
Inter-relations	1.5
Resources	1.0

STRUCTURE is the weakest of the four dimensions of the Hong Kong Civil Society Diamond. To be sure, quite a substantial portion of the population purported to have taken part in civil society activities, especially in charitable giving and non-partisan political action. However, most citizen participation lacks both breadth and depth. Not too many citizens join organisations, volunteer, or take part in collective community action. Even when they do, their involvement is scant as shown in the number of hours they do volunteering work, as well as the amount of donations they contribute to charities.

At the organisational level, it appears that CSOs are rather unstructured; in particular, there are not many CSOs belonging to umbrella bodies and support infrastructure is lacking.

Moreover, CSOs are quite poorly resourced in general, be it organisational, human, or technological and infrastructural.

1.2 The ENVIRONMENT Dimension

TABLE VI.1.2: Sub-dimension scores of the ENVIRONMENT dimension

	Scores
Political context	1.8
Basic freedoms and rights	1.3
Socio-economic context	2.0
Socio-cultural context	1.3
Legal environment	2.0
State-civil society relations	1.7
Private sector-civil society relations	1.3

Overall, the external environment within which civil society exists and functions is neutral; it is neither disabling nor is it enabling. This score should be examined more closely because the apparent neutrality actually blurs the variation among the seven sub-dimensions. The socio-economic context and the legal environment, apart from limited tax benefits for philanthropy, rather encourage the growth and operation of civil society. The political context is quite favourable save for the restrictions placed on citizens' political rights and the low degree of decentralisation.

The "socio-cultural context" and the "private sector-civil society" sub-dimensions are regarded as the weakest parts of the ENVIRONMENT dimension. It is thought that socio-culturally, the levels of trust, tolerance and public spiritedness are rather low among members of society and this somewhat disables the functioning of civil society. Private sector-civil society relations are mostly unproductive because of the indifference of the private sector towards CS actors, the unfamiliarity with the idea of corporate social responsibility and the limited support that the private sector renders to CSOs. Furthermore, basic rights and freedoms are not too favourable to civil society for information rights are not guaranteed by law and self censorship appears to be threatening press freedom. State-civil society relations are hampered by uneven and under-institutionalised dialogue between the government and CSOs.

1.3 The VALUES Dimension

Table VI.1.3: Sub-dimension scores of the VALUES dimension

	Scores
Democracy	1.5
Transparency	1.7
Tolerance	2.0
Non-violence	2.5
Gender equity	2.0
Poverty eradication	2.0
Environmental sustainability	2.0

The VALUES dimension is a stronger aspect of Hong Kong civil society. It shows that Hong Kong civil society moderately practises and promotes positive social values. Among the seven values making up this dimension, non-violence is basically practised and upheld, as are the values of tolerance, poverty eradication, environmental sustainability and gender equity.

It is also fairly honest, in that instances of corruption within civil society are rare. However, civil society is still quite weak with regard to democratic practices within CSOs, financial transparency of CSOs, as well as action to promote transparency.

1.4 The IMPACT Dimension

Table VI.1.4: Sub-dimension scores of the IMPACT dimension

	Scores
Influencing public policy	1.7
Holding state & private corporations accountable	1.5
Responding to social interests	2.0
Empowering citizens	2.0
Meeting societal needs	2.3

The score of the IMPACT dimension is only slightly lower than the VALUES dimension and is considered a stronger feature of Hong Kong civil society. Civil society has been effective in meeting societal needs, particularly those of marginalised groups. It has also done well in responding to social interests and empowering citizens. In fact, it plays a very important role in informing and educating citizens. Such a positive impact is compromised by CS's limited effort and ineffectiveness in holding private corporations accountable. In addition, the degree of influence that CSOs have on social policy varies, depending on the kinds of CSOs and the nature of the policy.

Overall: A Vibrant but Loosely Organised Civil Society

Hong Kong civil society can be described as vibrant but loosely organised. It is vibrant because it actively seeks to influence the public agenda and it strives to respond to social needs and empower minority groups. In the process, it enjoys varying degrees of success. In addition, it is fairly committed in promoting certain social values. It is loosely organised as reflected in the low levels of structure as well as communication among CSOs. CSOs appear to struggle on their own, getting little help from umbrella organisations and receiving insufficient infrastructural support.

The strength of civil society in Hong Kong rests in its relentless efforts in advocating ideas and values to society, its ability to shape the public agenda and challenge public policy, and its sensitivity to societal needs and robustness in service provision.

Major weaknesses of Hong Kong's civil society can be grouped under three categories: internal, relational, and external. Internal weaknesses involve problems within civil society, such as that civil society participation in general lacks both depth and breadth. Relational weaknesses refer to the low level of relationships among CSOs. There seems to be a lack of willingness of CSOs to work together, and there are not many umbrella organisations that facilitate cooperation among CSOs. External weaknesses refer to issues arising outside of civil society. The main problem is that the relationship between civil society and the government on the one hand and civil society and the private sector on the other hand is in much need of improvement.

2. LOOKING AHEAD

The near future does not seem to be very promising for it appears that various factors would restrain the further development of civil society. At the individual level, the depth of participation is worrying. At the organisational level, there is a low level of internal

democracy, over-dependence on public funding, and inter-organisational cooperation is infrequent. At the sectoral level, mistrust between CSOs and the government on the one hand as well as CSOs and the business sector on the other hand, is prevalent. Also, there lacks an up-to-date set of non-profit laws. It is possible to improve all of the above inhibiting factors, but it will take time and deliberate effort to cultivate an ambience and nurture a habit that enables civil society to grow.

3. RECOMMENDATIONS

Considering the weaknesses of Hong Kong civil society, a number of recommendations have been suggested. CSOs are advised to expand their funding sources and be less reliant on the government. Common platforms are to be established in order to facilitate dialogue and cooperation among CSOs. To encourage citizens to take part in civil society activities and to deepen their involvement, training of CS actors and incentives to retain them once they are involved should be made a priority of CSOs. To increase the credibility and legitimacy of CSOs, CSOs are advised to strengthen their research capacity. In the long run, it will be essential for citizens to have a sense of social responsibility; they have to realise that every individual has a duty to contribute to society and each and every individual's work counts.

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APPENDIX 1: COMPOSITION OF THE SCORING ADVISORY GROUP

Mr. Darwin Chen (Agency for Volunteer Service)
Mr. Albert Lai (Hong Kong People's Council for Sustainable Development)
Mr. Michael Lai (St. James' Settlement)
Dr. Lam Wai-man (University of Hong Kong)
Ms. Esther Leung (The Government of the Hong Kong Special Administrative Region)
Mrs. Justina Leung (The Boys' and Girls' Clubs Association of Hong Kong)
Mr. Lau Kar Wah (Hong Kong People's Council on Housing Policy)
Ms. Mak Yin-ting (The Hong Kong Journalists Association)
Mr. Charles Mok (Internet Society, Hong Kong Chapter)
Mr. Peter Wong (Deloitte Touche Tohmatsu)
Mr. Mathias Woo (Zuni Icosahedron)
Ms. Wu Mei-lin (Hong Kong Women Workers' Association)

APPENDIX 2: POLICY CASE STUDY 1 - ARTICLE 23 CRISIS: THE RISE OF PEOPLE POWER OR BUSINESS AS USUAL?

Executive Summary

On 1 July 2003, more than half a million Hong Kong citizens protested peacefully against the Hong Kong SAR government and its proposed national security law, known as the Article 23 legislation. This peaceful grand march caught international attention particularly because of Hong Kong's image as a politically apathetic society. Various civil society groups including some newly formed ones opposed the Article 23 legislation. The legislative proposals were considered draconian and government officials pushed through the law against the public's views.

1. Research Focus and Framework for Analysis

This paper assesses the *impact* of civil society groups in the Article 23 crisis according to the four aspects under the CIVICUS guidelines, namely (a) substantive change on policy, (b) procedural change in policy-making, (c) structural changes in political institutions, and (d) sensitising changes in public attitudes. The mass rally against Article 23 was a turning point in Hong Kong politics resulting from complex socio-political backgrounds. To explain the *environment* dimension, theoretical perspectives of social movements are borrowed to discuss changes in the political opportunity structure (Tilley 1978, Tarrow 1998). In line with other Hong Kong case studies in the same series, the *values* and *structure* dimensions of civil society are also identified.

Specifically, three sets of research questions are asked.

- What were the political opportunities and constraints concerning the protests?
- What approaches and actions did the relevant civil society groups / individuals take? How did they mobilise their resources and collaborate in the social movement against Article 23? How did the various groups network together?
- What was the impact of the protests and other civil society actions on the making of the national security legislation?

2. Research Method

This case study was conducted mainly by primary research as supplemented by secondary sources. The primary data was collected from face-to-face interviews with representatives of relevant CSOs (namely, Civil Human Right Front, Article 23 Concern Group, Human Rights Monitor, RebuildHK, Hiradio, E-politics 21), the available websites of all the CSOs mentioned in the case, the relevant statements, opinions and papers issued by the relevant

CSOs, relevant press articles, news journals and commentaries (in both Chinese and English) during the relevant period, relevant government papers, pamphlets and official speeches, and communications with some activists and participants in the anti-Article 23 movement. Relevant literature on social movement theories, social movements in Hong Kong and analyses on the Article 23 case were drawn as secondary sources.

3. The Article 23 Crisis and 1 July Rallies

The crisis over Article 23 of the Basic Law underscores the inherent tensions faced by Hong Kong under "One Country, Two Systems." Between Mainland China and Hong Kong there are fundamental differences in the legal system and social values. In particular, Hong Kong people feared losing freedoms and the rule of law. Under Article 23, the SAR government shall enact local laws to prohibit seven national security offences, some of which are novel to the common law tradition in Hong Kong. In September 2002, the government released proposals for legislating Article 23 for a three-month public consultation when the public trust of the post-1997 administration was low.

Various civil society groups and democratic legislators were opposed to both the substance and procedure of the government proposals, particularly the absence of a white bill for public consultation. Officials' robust and sometimes offensive rebuttal provoked negative moods in the community. Some 50,000 citizens protested against the national security law before the consultation period ended in December 2002. The government did not yield to the demand for white bill consultation and insisted on promulgating the national security law by July 2003. The government also claimed that the public opinions from the consultation exercise supported legislating Article 23. Many criticised the government for manipulating the public views collected. Civil society groups continued their advocacy and groups from a wide spectrum joined in, notably the human rights concern groups, the Catholic Church, the legal professionals and journalists.

In the spring of 2003, Hong Kong was confronted with a SARS outbreak. The activities of all CSOs had to slow down as Hong Kong entered into a period of silence behind the surgical masks. Meanwhile, the community's anger towards the government rose rapidly. The energy level in cyberspace also went up. Some new loose Internet networks emerged to exchange criticisms of the government on Article 23 and their handling of the SARS. Owing to the SARS outbreak, a relatively new alliance, the Civil Human Rights Front, postponed a planned protest against Article 23 to 1 July 2003.

As the SARS outbreak was ending by June, people started focusing on the imminent Second Reading of the National Security Bill in the Legislative Council (LegCo). Despite clear

popular demand to slow down the legislative process of this controversial law, the government contemplated that the Bill could have been passed in the LegCo composed of mainly pro-Beijing and pro-establishment members. Under the current constitutional arrangements, the partially directly elected LegCo could not fully reflect voters' preferences in Hong Kong.

The 1 July march in 2003 turned out to be the opportunity for citizens to vent their anger at the state of governance. Over 500,000 people found it necessary and critical to take to the streets to protest against the Article 23 legislation which would have been read for the second time on 9 July 2003. During that summer of discontent, two more mass rallies demanding democratic reforms were staged in Hong Kong. In 2004, there were grand marches on New Year's Day and 1st July of comparable scale. In 2005, another 1st July march was organised but the number of participants dropped significantly.

4. Key Findings

The civil society groups played certain important roles influencing the development of the Article 23 case. CSO leaders and activists reshaped the public discourse, provided alternative sources of public trust, highlighted certain core values in Hong Kong and initiated certain new development trends in civil society. However, the significance of the civil society organisations cannot be overstated. There were complex political and socio-economic environment, and unique conditions giving rise to the Article 23 crisis.

Environment: Changes in political opportunity structure

Under the former British colonial administration, Hong Kong developed a wide range of freedoms and liberal rights. Upholding the freedoms of speech and the press are core values in Hong Kong and the people had always feared a deterioration of freedom ever since the long political transition in the 1980s. Meanwhile, divisions in socio-political values, crudely described as "democrats vs. patriots", continued after the handover of sovereignty to China in 1997. The latent fear of losing freedom has long been a potential pressure point in the community under the "One Country, Two Systems." There are entrenched differences between Mainland China and Hong Kong in social values, legal systems and expectations of public governance. The proposed legislation on Article 23 ignited the "time bomb" of conflict.

Another critical condition leading to the crisis was the unsatisfactory state of post-1997 governance. Public distrust of the government and political leadership had been growing. The free media became a particularly important channel for the Hong Kong community to redress grievances and vent dissatisfaction at the government. Many considered the free

media and public opinion as more effective channels to influence government decisions than the legislature because of the various constitutional and political constraints. The public trust problems worsened after July 2002 when the former Chief Executive C H Tung introduced a political accountability system and appointed new principal officials ("ministers"). The Article 23 proposals were introduced when the public trust of the government was at a low point.

The SARS outbreak in early 2003 provided a unique period of silence when public anger at the government rose to boiling point. People had less work and more time to reflect on what individual citizens could do to change the unsatisfactory state of government. Some were drawn into the anti-23 campaign in their individual capacity or organised loose networks.

Despite public demands to delay the controversial national security legislation, the government insisted on the Second Reading of the Bill into the LegCo on 9 July and was confident that the Bill would be passed. This decision created a sense of urgency for the masses to join the grand protests on 1 July 2003 so as to block a draconian law. The masses felt justified in taking to the streets so as to vent their anger at the government once and for all. Most protestors joined the grand march spontaneously with families and friends. Their participation was more provoked by the words and deeds of government officials than mobilised by CSOs, as confirmed in surveys (Chan and Chung 2003).

Impact and roles of CSOs

The CSOs could not mobilise so many people to protest but they played significant roles in shaping the course of events in the Article 23 debate.

First and foremost, the CSOs sensitised public attention and successfully re-framed the public discourse. When the government released the proposals in September 2002, officials stressed that the vague proposals were lenient. The general community believed that Hong Kong could not refuse the obligation to enact the national security law in principle. However, CSO leaders (particularly barristers, journalists, religious and human rights groups) convinced the public that the "devil is in the detail" and that a thorough public consultation through a white bill was warranted. The advocates successfully reframed the public discourse as to how the government handled the legislation. In particular, the legal professionals provided an alternative source of public trust as to the validity of the official explanations about the Article 23 proposals; whereas the churches added moral authority to the anti-Article 23 movement.

The CSOs exerted influence on the government through public opinion and the dual capacity of some advocates as legislators, to make substantive changes to the draft bill during the LegCo scrutiny from February to June 2003. However, as the government has shelved the bill, it is not certain if those changes made to the last version will be kept when the Bill is re-introduced.

The influence of the CSOs on the policy-making of Article 23 was only indirect. After the grand rally, the Chief Executive (CE) insisted on the Second Reading as scheduled. This further intensified the government-community conflict and non-peaceful protests could become a real possibility. The government decided to withdraw the Bill only after a pro-government party leader quit from the CE's top advisory body, implying that there would not be sufficient votes in the legislature to pass the national security law. After the 1st July rally in 2003 the CE Tung Chee-hwa vowed to introduce people-based governance and review the consultative mechanism in Hong Kong. However, little material change had been observed in the government's general policy-making.

Twenty months later, Tung Chee-hwa resigned from the CE post. Despite the political leadership change, the CSOs' impact on the political structure was still minimal. After the 1 July rally, the CSOs demanded democratic reforms in the form of universal suffrage for the election of the CE in 2007 and formation of the LegCo in 2008. The community's growing aspiration for democracy was clear, as evident in the record voter turnouts in two council elections in November 2003 and September 2004. Beijing responded to the demand for democracy by ruling out universal suffrage in 2007/8. As at September 2005, the constitutional reform package was yet to be announced but was expected to propose no major change to the electoral systems.

Values

Throughout the anti-Article 23 movement, the CSOs highlighted several core values in Hong Kong: freedom (especially of speech and information), due process, genuine public consultation, and respect for public views and criticisms by those in power.

Structure

There were certain new developments in the civil society structure arising from the anti-Article 23 campaign. New political groups and alliances of CSOs emerged, notably the Article 23 Concern Group which was later renamed as Article 45 Concern, formed by lawyers, and the Civil Human Rights Front (CHRF) formed by various groups. Hong Kong also saw an emergence of loose cyber networks of activists, youth groups and public affairs concern groups. The sustainability of these new groups and networks remains to be seen.

The traditional structure and operation of civil society groups promoting democracy and human rights was more or less unchanged. There is no evidence that such traditional CSOs have grown much in resources, size and influence. The CHRF, organiser of the 1st July rally, was virtually unknown to many participants. The role of the CHRF in the protest was more administrative than mobilising. The influence of religious groups and professional groups (such as journalists and medical doctors) required special attention because they used to be less vocal on political issues.

Conclusion

The Article 23 case can be described as a macrocosm of almost all the structural and leadership problems in Hong Kong governance after 1997. No doubt, the 1st July grand rally in 2003 was a turning point in Hong Kong politics. In particular, Beijing has since intervened directly in Hong Kong affairs and Mr Tung Chee-hwa suddenly resigned 20 months later. It is not easy to quantify how much of the political changes could be attributed to civil society. The influence of individual CSOs in this respect was probably not big. However, it is certain that the energy level of civil society overall was lifted immediately afterwards. The anti-Article 23 movement was regarded as an awakening of civil society and a rise of people power in Hong Kong. However, questions arose as to whether the community has returned to apathy as the number of participants in the 1st July rally fell significantly in 2005. The answer probably lies somewhere in between. The moderate Hong Kong people use their power cautiously and the development of an awakened civil society rolls on.

APPENDIX 3: POLICY CASE STUDY 2 – Impact Study on Youth Unemployment Issue

Executive Summary

Policy Background

Due to the downturn in the economy in 1997, the unemployment rate of Hong Kong rose drastically from 2.2% in 1997 to 6.5% in 1999. It has been observed that in the past when the overall unemployment rate went up, youth unemployment soared even higher. The unemployment rate for the age group 15-19 in 1997 was 10.0%, which was much higher than the overall unemployment rate but was still comparable to most of the countries in the world at that time (OECD 1999). However, it doubled in 1998 to 20.4% and tripled in 2002 to 30.7%. These alarming figures called for attention to the issue of youth unemployment, and demanded action to alleviate the situation.

For many years, the government's support to mainstream school leavers has been confined to the provision of pre-employment vocational training. It was against the aforesaid background that the government introduced measures to address the issue of youth unemployment. The Labour Department launched the Youth Pre-employment Training Programme (YPTP) in 1999 and the Youth Work Experience and Training Scheme (YWETS) in 2002 to enhance the employability and competitiveness of young school leavers. The Social Welfare Department (SWD) also introduced measures to create job opportunities for junior secondary school (Form 3) leavers; in particular, "non-engaged" youths were employed as Programme Assistants in different welfare services units, and the "Engagement of Peer Counsellors" Programme was launched in NGOs.

In response to the measures of the government for tackling youth unemployment, most of the conventional social services agencies positioned themselves as participant organisations. In an exploratory newspaper review of the views of CSOs in the last few years, it was found that CSOs' demands were mainly in three aspects:

1. CSOs like the Hong Kong Federation of Youth Groups, which helped organise the government's programmes, welcomed and appreciated the expansion in government efforts and resources to raise the employability of youth (Tai Kung Pao, 2002-07-28). They demanded an extension to the duration and improvement of the quality of the existing services.
2. CSOs such as the Caritas Tsuen Wan Community Centre expressed their concern

about the provision of short-term jobs and worried that it might not sustain employment of the youth in the long run. They called for long-term planning in helping the youth (Ming Pao, 2002-02-23).

3. Research-based CSOs like the Social and Economic Policy Institute (Hong Kong Daily News 2001-02-05), religion-based CSOs like the Evangelical Lutheran Church of Hong Kong (Sing Pao, 2005-05-22) and some political parties were aware of the complicated nature of the problem. They criticised the lack of thorough planning, and suggested the need for a coordinated effort from various government departments and/or social service organisations. In short, they advocated a central youth employment policy.

As part of the CSI policy impact study, this case analyses the youth unemployment issue as a means to examine CSOs' impact with reference to the four dimensions of the CSI diamond: structure, environment, values and impact.

Research Method

This study mainly deployed qualitative interviews as the key strategy for data collection. Representatives from different CSOs, academics and government officials who worked on youth unemployment issues were invited to share their views and observations. Published documents such as research reports and web page materials were reviewed, serving as secondary sources to supplement the interview data.

Representatives of six CSOs were interviewed. Of these, four organisations were conventional social services providers, two of which were religion-based in Christianity (The Salvation Army and the Evangelical Lutheran Church of Hong Kong) and two of which were secular (The Boys' & Girls' Club Association and The Hong Kong Federation of Youth Groups). Besides service providers, we also interviewed an active policy advocator in the social services sector (The Hong Kong Council of Social Services); and a representative of a trade union (The Hong Kong Confederation of Trade Unions). The interviews covered CSOs' positions and advocacy work on youth unemployment, as well as their achievements and failures in the advocacy.

Apart from CSOs, we have also talked to representatives of government departments and academics. The Programme Director of the YPTP and YWETS in the Labour Department and the Chairman of the Commission on Youth were interviewed. These interviews helped to reveal the attitudes of the government towards the advocacy work of CSOs and to uncover the extent to which the government considered the voices of civil society when making policies. Academics, whom we trust to be more impartial, were also interviewed. We

interviewed a professor in social work from the Chinese University of Hong Kong. Throughout the data collection process, a total of seven interviews were conducted between May and November 2005.

For the purpose of getting a more complete picture about the issue, we informally talked to two informants together; both were experienced in consultation services for the government and one of them was a member of the Commission on Youth at the time. Although the information gathered in this informal meeting will not be used in this report, it is very useful in helping us to understand the issue.

Key Findings

Structure

The four conventional social service agencies that we interviewed work on providing social services subvented by the government. They have a history of serving the community, and have a number of branches working on a variety of services throughout the territory. The Hong Kong Council of Social Services (HKCSS) is an umbrella organisation for CSOs and has been active for years in advocacy for social services. The Hong Kong Confederation of Trade Unions is a trade union experienced in the work of labour rights; youth employment is only one of their services. They are also involved in youth employment advocacy work at the agency level.

It is found that the CSOs comparatively put more emphasis on the roleof “service provider” than “advocator”. Most of the CSOs focused on service development and implementation. It is worth noting that the four conventional service-oriented CSOs and the labour union were participant organisations of YPTP and YWETS. In positioning their goals, conventional social service agencies tended to look to the building up of a useful and workable model. The HKCSS, an advocator in the social services sector, would likewise keep contact with the government concerning the YPTP and YWETS. The HKCSS would hold seminars and sharing sessions at the service delivery level, suggesting also a primary concern for the quality of services.

The advocacy work that CSOs had done, including those which claimed to be active in advocacy, was actually rather mild. They were mainly sharing sessions for the youth and included writing articles to professional bodies. Some of the more active CSOs conducted independent studies and released their findings in press conferences. In general, the CSOs were not active in advocacy work, and there was no strategic planning for advocacy programme.

Environment

The most common communication channel between the government and the CSOs is the working/advisory committees, which is a formal information exchange platform. Informally, senior CSO personnel have more opportunities to meet with government officials on different occasions, where they could share their ideas. Some interviewees expressed the view that information exchange in informal settings was more effective than discussions in formal committee meetings. However, the government's youth employment measures are implemented by a number of departments across three Bureaux, namely the Education and Manpower Bureau, the Labour Department under the Economic Development and Labour Bureau, and the Social Welfare Department under the Health, Welfare and Food Bureau. Since they are separate units with different missions and goals, some interviewees were not sure with which department they should be discussing the youth unemployment issues in detail.

The downturn in the economy after 1997 has not only worsened youth unemployment, it has also subjected a large number of CSOs to immense financial pressure. As most of the CSOs interviewed in this research are conventional social service agencies with major financial support from the government, they all suffered from an acute budget crisis as a result of budget cuts in welfare subvention. Under these circumstances, CSOs would want to keep a harmonious relationship with the government and remained low key.

Furthermore, the unfavourable fiscal situation brought negative competition among CSOs in the welfare sector. The inter-relations among CSOs were more competitive than cooperative.

Values

As aforesaid, the CSOs mostly positioned themselves as service providers for the youth employment programmes launched by the government. What they have demonstrated in their efforts are humanistic concerns about youths' life chances and personal growth, and their societal concern with the aftermath for society if the issue is not properly handled. Apart from such concerns, it is not obvious that there are other values that CSOs tried to promote.

Impact

According to the CSI toolkit, the concept of "impact" is multi-dimensional and therefore civil society's impact on public policy can be considered from at least four aspects (Houtzager & Pattenden 1999), including (a) *Substantive impact*: changes in policy itself; (b) *Procedural impact*: changes in the policy-making process; (c) *Structural impact*: changes in political institutions involved in policy-making process; and (d) *Sensitising impact*: changes in public attitudes towards the issue. The present impact analysis will extend the list to

include two more aspects: (e) *Mobilising impact*: changes in the mobilisation of CSOs for collaborative efforts; and (f) *Empowering impact*: changes in empowering the unemployed youth.

(a) ***Substantive impact:*** *changes in policy*

Although the CSOs were not very active in the advocacy work, some of our interviewees were able to cite examples showing a discernible substantive impact in changing policy; in brief, they believed that their proposals were accepted by the government. For example, the creation and provision of temporary job opportunities for the unemployed youth was a proposal made by the Hong Kong Federation of Youth Groups in its 1998 study. The Youth Pre-employment Training Programme (YPTP) and the Youth Work Experience and Training Scheme (YWETS) run by the Labour Department appeared to have taken their proposal on board.

Besides, following the suggestions of the Salvation Army, the two schemes have introduced a number of changes to the counselling component, namely the number of counselling hours and the content of pre-employment counselling for YPTP clients of low academic qualifications and/or of personality problems.

(b) ***Procedural impact:*** *changes in policy-making process*

In the past, the main roles and functions of the Labour Department revolve mainly around the supply of labour. Its Programme Director agreed that the Department has come to take a more directive approach on the demand side; it is a key coordinator of the YPTP and YWETS, which both provide pre-employment and on-the-job training to the unemployed youth.

The change in the approach of the Labour Department inevitably invited CSOs to some levels of decision making, e.g. the improvement in administration requirements and procedures, the development of assessment and evaluation criteria, etc. Taking part in various working or advisory committees accorded CSOs a platform to express their opinions. Positively speaking, it is a good sign for CSO's participation in the government's decision making process. However, the effectiveness is difficult to measure. Despite the availability of channels of communication, the effectiveness of these channels might need to be further examined.

On the other hand, the CSOs were established by the community people who would think that they were autonomous from the government. When dealing with the government, most of them saw themselves as a consultative body or even an executive body of government

policy. Such a position moulded them into adopting a gentle and cooperative role and led them to remain low key even when they had different views at the policy level. Needless to say, this position diminishes CSOs' advocacy impact.

(c) ***Structural impact:*** *minor changes in political institutions involving policy-making process*

In the youth unemployment issue, the apparent structural impact of CSOs was the introduction of youngsters' voices into the political structure. Besides training, CSOs tried to build a youth network where participants could get mutual help and support. Their voices were brought into the advisory committee meetings for consideration.

(d) ***Sensitszing impact:*** *little change in public attitudes towards the issue*

On the whole, the CSOs consciously chose not to attract too much societal attention with regard to the issue of youth unemployment because of the diversity of public views. They worried that too much public attention might backfire, making their youth employment programmes difficult. As a result, CSOs' impact on changing public attitudes about youth unemployment was not prominent.

The CSOs were ambivalent about the role of the media. On the one hand, they were well aware of the power of the media in publicity and advocacy, thus the attempt to build a close working relationship with the media. On the other hand, they were nervous about negative media stories on unemployed youth. This situation shows that there is a need for CSOs to improve their media management skills.

(e) ***Mobilising impact:*** *insignificant*

The relationship among the CSOs involved was more of competition than cooperation because they competed for resources from the same funder – the Government. They rarely worked together in the youth unemployment issue. It undeniably weakened their collective bargaining power with the government to change policy and/or resource allocation.

(f) ***Empowering impact:*** *empowering the unemployed youth*

In the delivery of direct services, the CSOs worked to enhance youth employability in the market by preparing them technically and psychologically. They helped them to build a youth network where they could get mutual help and support. By introducing youngsters' voices in official meetings, the youth were further empowered.

Conclusion

Overall, on the issue of youth unemployment CSOs have not played an active role in advocacy because they generally did not take it as their top concern. The youth employment programmes offered by the CSOs are certainly a positive response to social interests and they also meet social needs by providing a protective environment for the unemployed youth and their family. However, CSOs' impact on the government is limited and, on the public, rather insignificant.

APPENDIX 4: POLICY CASE STUDY 3 – CIVIL SOCIETY PLAYERS AND THE BUDGETARY PROCESS IN HKSAR

Executive Summary

This paper reports on a study on the role of CSOs in the making of the budget of the HKSAR government. The report has two main parts. The first part, based on a review of secondary sources, gives a picture of the budgetary process, including the general channels for CSO participation. The second part covers seven CSO case studies based on fieldwork interviews. We will look at such questions as the lobbying strategies adopted by the CSOs, their access to and impact on the budgetary process, as well as their mode of organisation and mobilisation. The two parts together will provide some insight into the current state-civil society relations in Hong Kong.

The report starts with an overview of the fiscal environment in Hong Kong and its implications on the potential for successful lobbying by the CSOs. Three features stand out: the constitutional requirement for a balanced budget – at least in the long run (as stipulated in Article 107 of the Basic Law of the HKSAR); a narrow tax base with structured deficits (in the sense that the government cannot finance its recurrent expenditure with the recurrent revenue); and an executive-led political system with weak political parties. Among these three features, the first two are presumably not favourable for CSOs, as the constitution and the adverse economic conditions constrain the space for CSO lobbying. The last feature is probably a mixed blessing: the executive-led system almost inevitably means CSO power is weaker vis-à-vis the executive, but a weak party system may also give more incentive and opportunity for the CSOs to organise themselves and approach the government directly.

The study proceeds to an overview of the budgetary cycle, paying special attention to the stages of the policy process in which CSOs may exert their influence on the budget. Five stages have been identified in the cycle: (1) compilation of medium range forecast (MRF) by the Financial Services and Treasury Bureau (FSTB); (2) resource allocation exercise (RAE) conducted by the top officials in the HKSAR government; (3) public consultation by the Financial Secretary; (4) the annual Policy Address delivered by the Chief Executive, who often shapes the broad direction of the forthcoming Budget; and (5) Budget presented by the Financial Secretary and debated in the Legislative Council (LegCo). It is observed that some of these stages, like the MRF and RAE, have provided the regular "windows" through which CSOs may participate in the budgetary process, at least in the sense that they may have access to officials. However, it is likely that the participation is more formal than substantive, as the whole process remains largely top-down controlled by the executive branch of government. Moreover, the recent fiscal environment – recession and budget deficit – seems

to have made the process even less transparent and it is therefore not favourable for participation by CSOs.

Next comes the second major part of the report: case studies of seven CSOs including

1. Coalition Against Sales Tax
2. Hong Kong Council for Social Service (HKCSS)
3. Hong Kong General Chamber of Commerce (HKGCC)
4. Hong Kong Institute of Certified Public Accountants (HKICPA)
5. Oxfam Hong Kong
6. Society for Community Organisations (SOCO)
7. The Taxation Institute of Hong Kong

While not statistically representative, the cases are quite wide-ranging in the sense they include both "spending" and "revenue" groups; professional associations as well as grass-roots organisations; and a loose movement network (Coalition Against Sales Tax) in addition to "standard" formal organisations. For each of the above seven cases, we conducted interviews with their chief organisers or senior officers. We focused particularly on the following questions: Do the organisations take the Budget as a major target by itself? What is the level and nature of access to officials? What are their main advocacy and lobbying strategies? What is their level of mobilisation (in terms of their own members) and how common is inter-organisational collaboration to champion for a common cause? Last but not least, what is their own perceived impact on the budgetary process and outcomes? The findings are summarised below.

Is the Budget a major target by itself?

Not all of our selected civil society organisations take the Budget as a major target. Oxfam Hong Kong and SOCO do not have a developed working plan for the Budget. The HKCSS does have a more clearly defined agenda; each year they will make a submission to the Chief Executive, highlighting a major issue that they would like to be covered in the forthcoming Policy Address and Budget. The HKGCC is even more involved: it has at least two internal committees which look at the Budget. The Chamber not only produces written submissions but also has several meetings a year with senior officials from the FSTB to discuss issues on the forthcoming Budget.

Level of access to officials

There exists remarkable variation among our cases. Professional groups tend to work with technocrats. For example, HKICPA and Taxation Institute have regular meetings with the Inland Revenue Department, which is responsible for the implementation of the taxation

policy. The HKICPA may meet more senior officials (like the Secretary for Financial Services and Treasury), although such meetings are neither regular nor frequent. Welfare organisations have relatively more opportunity to reach higher echelons of the government, including the Chief Executive. Ironically, all three welfare groups in this study find the Chief Executive to be more accessible than the Financial Secretary. Finally, access to senior officials is apparently not a problem at all for the HKGCC.

Main advocacy and lobbying strategies

The organisations tend to use a similar set of tools: making written submissions, approaching political parties and LegCo members, lobbying government officials, and appealing to the people via media and advocacy work. In dealing with government officials, different organisations may use slightly different strategies, although it seems that an overtly confrontational approach is avoided. Appealing to the mass media and the public tend to be emphasised more by the welfare groups than by the professional bodies and the HKGCC. However, both SOCO and Oxfam Hong Kong indicated that the neoliberal ideology held by the media and the public in general at times poses an obstacle to their advocacy work.

Internal organisation and mode of mobilisation

The seven cases cover different organisational forms. HKGCC and the HKCSS are umbrella organisations whose members are predominantly corporations or social welfare agencies. The HKICPA and the Taxation Institute are made up of individual members. Oxfam Hong Kong and SOCO are "traditional" voluntary organisations involving little membership function. The Coalition Against Sales Tax is a loose network composed of various local retailers and service businesses. Overall, the level and mode of mobilisation seems to be related to organisation types. For Oxfam Hong Kong and SOCO, mobilisation is not an issue: their employees and voluntary workers simply carry out their work as planned by their board of directions and senior executives. For membership organisations, mobilisation of members for common action may be more difficult because of free-rider problems and internal division. It is also noted that mobilisation may be triggered by government actions, as in the case of the Coalition Against Sales Tax. Finally, nearly all organisations in this study have contact with other civil society players and political parties on some common purpose, although judging purely by these cases one can hardly say that there exist strong and close networks of movements in Hong Kong.

Perceived impact on the budgetary process

In brief, answers from our interviewees tend to be negative, although the HKGCC is arguably an exception. Apparently all interviewees agree that the government already has clear views by the time it approaches them, and that any of their comments can at most lead

to minor amendments in the Budget. For professional groups like the Taxation Institute and the HKICPA, their only "proof" of government attention is the letter of acknowledgement (which is no longer than 2-3 pages) from the Financial Secretary on their proposals to the Budget. The welfare groups point out that the budget deficits have made lobbying even more difficult, as balancing the budget has now become the top priority.

This paper makes the following tentative conclusion regarding the role of CSOs in the budgetary process. First, the **environment** for civil society players does not look favourable. Budgeting is top-down and very much strongly controlled by the executive. There is no lack of formal channels of participation for the CSOs, but the overall **impact** – be it substantive, procedural, structural or attitudinal as defined in the CIVIUS framework – looks limited for all organisations. As for the **structure** of civil society players, business groups seem to be better positioned than other players in the policy process, although it is not clear exactly how much more power they enjoy. Mobilisation is not particularly strong within membership organisations, and neither are networks or collective actions across organisations. More importantly, the Budget is not taken very seriously by all civil society players, and hence the case provides little information on the **values** endorsed by the civil society players.

APPENDIX 5: CIVIL SOCIETY MEDIA IMAGE STUDY

Summary of Findings

Background

This part of the CSI project aims to investigate how civil society is represented in the Hong Kong media. It seeks to address questions such as how favourably/unfavourably the media report on civil society issues; how much civil society activities are being reported; and what types of stories are most frequent.

Research Method

Print and broadcast media were monitored for four months from 1 May to 30 June 2004 and from 1 November to 31 December 2004. Two Chinese newspapers, *Ming Pao* and *Oriental Daily News* were chosen. *Ming Pao* is rated one of the most credible newspapers in Hong Kong. Its readers are mostly middle class who received a relatively higher education. Politically, it is fairly sympathetic to the democratic camp. *Oriental Daily* is one of the two most popular local newspapers. Its readership is mostly the working class. Politically, it is somewhat critical of the democratic camp. All sections in the two newspapers, with the exception of entertainment, sports and classified, were included in the study.

As to the broadcast media, the prime time news bulletin of TVB aired between 18:30 and 19:00 every evening in the four-month monitoring period is studied. TVB is the most popular local station and its news is broadcast in Cantonese, the dialect spoken in Hong Kong.

Major Findings

1. CSO image

CSOs are frequently portrayed in a neutral manner in both the print and broadcast media. Analysing the image of CSOs each *time* they were reported in the print media showed that CSOs were represented in a neutral way more than half of the time (55.8%) and in a positive way a little under half of the time (43.4%), while in the broadcast media, the ratio of CSOs being reported neutrally (63.6%) to positively (35.1%) was about 2:1. Out of all *positive representations* of CSOs, "Professional, industry and trade unions" (29.9%) led other CSOs in the print media. They were followed by CSOs in "welfare services" (11.4%), "education and research" (10.7%) and "environment" (9.8%). In the broadcast media, it was again "professional, industry and trade unions" (39.6%) that were more likely to be represented positively than CSOs concerning with the "environment" (15.1%) and "welfare services" (11.3%). However, out of all *types* of CSOs that were reported in a positive way,

environmental groups topped other CSOs in both the print (66.7%) and broadcast media (72.7%).

2. Prominence of CSO reports

Reports involving CSOs do not usually appear in prominent pages in the media. The vast majority of reports involving CSOs (84.6%) were not printed on the first three pages of the newspaper. The situation was similar with regard to the broadcast media (72.3%). If we look at the *number of reports* involving CSOs that appeared in prominent pages, "professional, industry and trade unions" out-did other types of CSOs in both the print and broadcast media, followed by CSOs involving "politics". However, of all different *types of CSOs* that appeared in prominent media places, "civic and advocacy" (33.3%) and "law and legal services" (33.3%) came first in the print media. In the broadcast media, it was also "civic and advocacy groups" (50.0%) that came out on top, followed by "professional, industry and trade unions" (35.1%) and "district and community based" CSOs (33.3%).

3. Types of CSO reports

The range of primary topics of reports involving CSOs in the print media was more diverse than in the broadcast media. It covered issues about "local government"[113] (13.5%), "business" (11.7%), "labour and unemployment" (11.5%), "education or training" (11.2%) and "health" (9.1%). The primary topics of TV news were more concentrated, in which "business" (21.1%), "local government" (18.5%), and "sustainable development" (10.6%) constituted half of all entries. "Advocacy" was the top secondary topic in both the print and broadcast media. As to the content of advocacy, "local government" (22.5% and 44.1% respectively of print and broadcast media) and "environmental sustainability" (13.5% and 8.8% respectively) were the most popular in both the print and broadcast media.[114]

4. The four CSI dimensions

It appears that the print and broadcast media were fairly uniform with regard to the four dimensions of the Civil Society Diamond. Along the STRUCTURE dimension of the diamond, "cooperation", "non-partisan political actions" and "resources" were the most frequently reported indicators that appeared in both types of media. Along the ENVIRONMENT dimension, the three top indicators in both media were "civil liberties",

[113] Since Hong Kong is a special administrative region of the PRC, all Hong Kong news was regarded as local news whereas news relating to the PRC was treated as "national" news.

[114] In the case of the print media, "labour and unemployment" issues shared the same popularity with "environmental sustainability" (13.5%). In the broadcast media, "national politics" (11.8%) was the third most popular content of advocacy.

"dialogue", and "state effectiveness". The three top VALUES that civil society pursues were, according to the two types of media, "democracy", "transparency", and "environmental sustainability". As to the IMPACT of CSOs, both media agreed on "responding to social interests" and "empowering citizens: informing and educating citizens".

Conclusion

The media review appears to be a fairly accurate portrayal of the state of civil society in Hong Kong. The vibrancy of the Hong Kong economic system is accompanied by CSOs' efforts in promoting labour protection and in dealing with issues of unemployment. At the same time, many CSOs have been actively participating in democratic movements in terms of advocacy and mass mobilisation; and in empowering the citizenry. In light of this, most topics of news reports related to CSOs were about politics, business, labour, education and sustainable development.

Most reports involving CSOs were not accorded prominent space. Nonetheless, CSOs were generally reported either positively or neutrally.

The indicators of the four dimensions of the Civil Society Diamond pointed towards a rather interesting state of civil society in Hong Kong. They suggested that many CSOs were willing to cooperate with others in the pursuit of common goals. They also reflected that CSOs were unhappy with the government and lamented the inadequacy of dialogue with the government. The values that CSOs sought to promote were democracy, transparenc, and environmental sustainability. Lastly, CSOs were considered to be able to respond to social interests and effective in public education.

APPENDIX 6: CIVIL SOCIETY INDEX PROJECT: CORPORATE SOCIAL RESPONSIBILITY STUDY

Summary of Findings from Annual Reports for 2003

The Ten Companies

2	CLP Holdings Ltd	[Utilities]
4	Wharf (Holdings) Ltd	[Consolidated Enterprises]
5	HSBC Holdings Plc	[Banking]
6	Hongkong Electric Holdings Ltd	[Utilities]
8	Pacific Century CyberWorks Ltd	[Telecommunications]
13	Hutchison Whampoa Ltd	[Consolidated Enterprises]
16	Sun Hung Kai Properties Ltd	[Property Development]
291	China Resources Enterprise Ltd	[Consolidated Enterprises]
293	Cathay Pacific Airways Ltd	[Aviation]
2388	BOC Hong Kong (Holdings) Ltd	[Banking]

The Findings

- CLP Holdings Ltd (2) and HSBC Holdings Plc (5) both have a separate report on corporate social responsibility, detailing their policies, practices and performance measurement in that regard[115]. Their notions of corporate social responsibility, as well as that of Hutchison Whampoa Ltd (13), seem to be better developed than others. Apart from them, only PCCW Ltd (8) explicitly mentions in its annual report that the company has a corporate social responsibility policy.

- Except for Wharf (Holdings) Ltd (4), all companies have at least a statement pledging commitment to high standards of **corporate governance**. The emphasis is however mainly on transparency and accountability toward the company's shareholders, as well as the investment community.

- For example, four companies, namely CLP Holdings Ltd (2), HSBC Holdings Plc (5), SHK Properties Ltd (16), BOC Hong Kong (Holdings) Ltd (2388), give some information about two-way communication channels between the company and the investors/analysts; but there seems to be a lack of mentions of policies and procedures

[115] Therefore, For CLP Holdings Ltd (2) and HSBC Holdings Plc (5), information from their reports on corporate social responsibility is also utilised for this paper, while findings for the other eight companies are based solely on their annual reports and their websites.

for engaging other stakeholders on the matter of governance.

- In fact, as regards the community, only CLP Holdings Ltd (2) and HSBC Holdings Plc (5) explicitly mention in their report that it is one of the stakeholders of the business in which they operate.

- All companies give some details about their **employment practices**. They generally recognise the role of their employees in the success of their business. All emphasise that competitive remunerations are offered on a performance-related basis and training and development are aimed to enhance the performance of their staff. SHK Properties Ltd (16) in particular mentions that it is their responsibility / good corporate citizenship to facilitate staff development and personal growth.

- Some companies, such as HSBC Holdings Plc (5), Hongkong Electric Holdings Ltd (6), Hutchison Whampoa Ltd (13), SHK Properties Ltd (16) and BOC Hong Kong (Holdings) Ltd (2388), mention social and recreational activities to foster employees' sense of belonging.

- The two utilities, CLP Holdings Ltd (2) and Hongkong Electric Holdings Ltd (6), as well as HSBC Holdings Plc (5), also emphasise workplace safety and low accident rates.

- As regards communication with employees, four companies, namely CLP Holdings Ltd (2), HSBC Holdings Plc (5), SHK Properties Ltd (16) and BOC Hong Kong (Holdings) Ltd (2388), express their commitment to such communication and mention specific measures to facilitate it.

- Four companies, namely CLP Holdings Ltd (2), HSBC Holdings Plc (5), Hutchison Whampoa Ltd (13) and SHK Properties Ltd (16), state explicitly that they are fair / equal opportunity employers

- As for **community involvement**, it mainly takes the form of donations and volunteering for charitable educational and social causes. All companies make monetary donations, with the amounts ranging from the China Resources Enterprise Ltd (291)'s $946,000 to Hutchison Whampoa Ltd (13)'s $142 million in 2003. Many also encourage employees to serve as volunteers and to participate in charitable fund-raising events.

- Eight of the ten companies mention in their reports measures on **environmental protection**; the two exceptions are Wharf (Holdings) Ltd (4) and China Resources Enterprise Ltd (291). For companies such as utilities and property developers, which are traditionally considered as major pollution generators, the measures go beyond best environmental practice in their commercial activities and also include initiatives to promote environmental practice to their customers. For other companies, it mainly takes the form of sponsoring events and campaigns that promote environmental awareness and funding environmental causes.

- Simply by their absence from the annual reports of many top Hong Kong corporations, this study reveals **inadequacies** concerning some areas of corporate social responsibility. These areas include:
  - Commitment to reporting on corporate social responsibility;
  - Accountability to stakeholders other than investors;
  - Engaging stakeholders;
  - Explicit statements that communicate the company's commitment to ethical behaviour;
  - Non-discrimination in the workplace and equal opportunity employment;
  - Human rights within the company's operations;
  - Fairness and honesty with business partners; and
  - Monitoring and promoting corporate social responsibility of business partners.

TABLE A6.1: Notions and Practices of CSR in Year 2003 Annual Reports of Top Ten Hong Kong Corporations

		Ethics	Accoun-tability	Gover-nance	Financial Return	Employment Practices	Business Relationships	Product Services	Community Involvement	Environmental Protection
2 CLP Holdings Ltd[116]	N	✓		✓	✓	✓		✓	✓	✓
	P	✓		✓	✓	✓		✓	✓	✓
4 Wharf (Holdings) Plc	N				✓	✓				
	P				✓				✓	
5 HSBC Holdings Plc[117]	N	✓	✓	✓	✓	✓	✓	✓	✓	✓
	P	✓	✓	✓	✓	✓	✓	✓	✓	✓
6 Hongkong Electric Holdings Ltd	N			✓	✓	✓	✓	✓	✓	✓
	P			✓	✓	✓		✓	✓	✓
8 Pacific Century CyberWorks Ltd	N	✓		✓	✓	✓		✓	✓	✓
	P	✓		✓	✓	✓		✓	✓	✓
13 Hutchison Whampoa Ltd	N			✓	✓	✓		✓	✓	✓
	P			✓	✓	✓		✓	✓	✓
16 Sun Hung Kai Properties Ltd	N			✓	✓	✓		✓	✓	✓
	P			✓	✓	✓		✓	✓	✓
291 China Resources Enterprise Ltd	N		✓	✓	✓					
	P		✓	✓	✓	✓		✓	✓	
293 Cathay Pacific Airways Ltd[118]	N			✓	✓				✓	✓
	P	✓			✓	✓		✓	✓	✓
2388 BOC Hong Kong (Holdings) Ltd	N		✓	✓	✓	✓				✓
	P		✓	✓	✓	✓		✓	✓	✓

Note:
N: Notion
P: Practice

[116] Information from Annual Report and Social and Environmental Report
[117] Information from Annual Report and Corporate Social Responsibility Report
[118] Information from Annual Report and Environmental Report

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