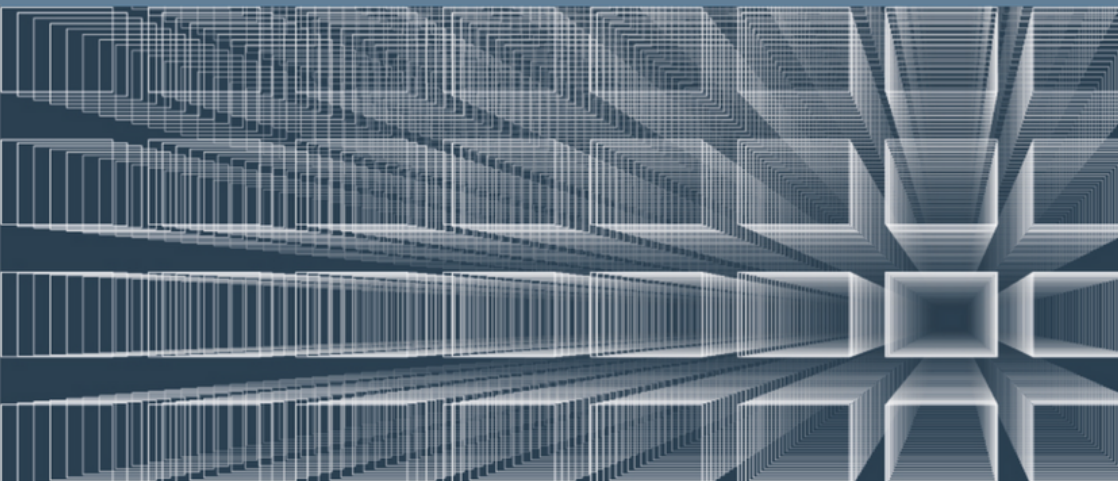


PoD-HKAPP
Occasional Paper No. 3

Building Up Political Trust in Hong Kong



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March 2022



Path of Democracy

Path of Democracy (PoD) is a mission and action driven think tank that strives to create maximum room for democratic development under the principles of One Country Two Systems, Hong Kong people ruling Hong Kong with a high degree of autonomy. We believe that communication with mutual trust which is conducted under a moderate attitude is essential for the development of democracy. To this end, we have established Path of Democracy as a platform to:

- Consolidate the majority of supporters of the democratic camp in the society;
- Promote a moderate political approach in a proactive manner, and to carve out a new political horizon in the society;
- Formulate an agenda and construct systematic political discourse;
- Establish new ideological dimensions in the politics, society, economics and culture of the Hong Kong Special Administrative Region together with different stakeholders through research, dialogue and engagement.

Hong Kong Academy of Politics and Public Policy

The Hong Kong Academy of Politics and Public Policy (HKAPP), founded by Path of Democracy, fervently believes that in order to improve the quality of governance, we must first improve the quality of our future leaders. Holding this firm belief, HKAPP offers courses in conjunction with HKU SPACE, dedicated and designed to meet the needs and unique political situation in Hong Kong, and to train and develop young leaders for such purposes. The founding mission of HKAPP is to improve the quality of individuals who aspire to govern, by establishing a cross-sector, trans-partisan platform and consolidating existing institutions of professional training. We seek to develop future leaders who can create new paths for Hong Kong and serve its citizens with an open mind, regardless of their political affiliation or position within organizations.

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Opinions expressed in this publication are the authors'. They do not necessarily reflect those of Path of Democracy and the Hong Kong Academy of Politics and Public Policy.

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Building Up Political Trust in HKSAR

Sherman Chow, SK Leung and Allen Po

Abstract

In recent years, many Hong Kong people have seen declining levels of trust in our city, whether it be their confidence in the central government and the HKSAR Government or the mutual trust between each other. Citizens' trust in the government has dropped to the lowest point during these two years. The main objective of this study is to find out different feasible evidence-based solutions to help building mutual trust among different stakeholders including the central government, the HKSAR government and the Hong Kong people.

The theoretical basis of trust relates the confidence of citizens to existing institutions in the society. With the fall of trust, people's societal and economic concerns have turned into fears, which have led to a spread of populist actions by the government, and irrational responses to government policies by the public. If the government could improve its trust with citizens, the implementation of policies would be more efficient and the public could have a higher tolerance for measures. We review a series of events which happened in Hong Kong since 2008, including the Global Financial Crisis (2008-09), Five Constituencies Referendum Controversy, Extradition Law Controversy and the associated protests and the recent COVID-19 pandemic to explain the changes in level of trust that Hong Kong people have for the HKSAR Government.

As it is recognized that the trust level for the government is low, our proposed solutions aim at securing the prosperity and stability of the HKSAR, and they will be implemented in different time frames respectively. These solutions include (i) addressing the challenges from COVID-19 Pandemic and its impact on the economy in the short term; (ii) on-going clarification towards the misunderstanding of the National Security Law (NSL) and improving the Electoral System of HK in the medium term; and (iii) cultivating the talents of political leaders fitting "One Country Two Systems" to solve in-depth social issues.

香港政治信任的建立

周尚明 梁丞杰 布鎮權

摘要

近年來，許多香港人對於中央還是香港特區政府的信任程度和互信程度愈發下降。公民對政府的信任在這兩年內跌至最低點。本研究的主目標是以找尋不同可行以證據為本的方法，有助於在不同持份者間建立互信，包括中央政府、香港特區政府和香港人。

信任的理論是探討公民的信心與社會現有制度的關係。隨著信任度的下降，人們對社會和經濟的擔憂變成了恐懼，導致政府的民粹主義蔓延和公眾對政府政策的非理性反應。如果政府能夠提高公民對其自身的信任，政策的實施就會更有效率，公眾對措施的容忍度就會更高。我們回顧了香港自 2008 年以來發生的一系列事件，包括全球金融危機 (2008-09)、五區公投爭議、反修例爭議和相關抗議活動以及最近的新冠病毒大流行，以解釋港人對特區政府信任水平的變化。

鑑於市民對政府的信任度較低，我們提出的解決方案旨在確保香港特別行政區的繁榮穩定，並會分別在不同的時間框架內實施。這些解決方案包括 (i) 在短期內應對新冠病毒大流行的挑戰及支援經濟；(ii) 在中期需要持續解釋和澄清大眾對《國家安全法》和改善香港選舉制度的誤解；和(iii) 在長期需要培養適應「一國兩制」的政治領袖人才，以深入解決社會問題。

1. Introduction

In recent years, many Hong Kong people have seen declining levels of trust in our city, whether it is their confidence in the central government and the HKSAR Government or the mutual trust between each other. Citizens' trust in the government has dropped to the lowest point during these two years. The main objective of this study is to find out different feasible evidence-based solutions to help building up mutual trust among different stakeholders including the central government, the HKSAR government and the Hong Kong people. This paper reviews the theoretical basis of trust, the situation of the HKSAR according to data analysis from different surveys after its return to the Motherland since 1997 and our proposed solutions to the said purpose so as to secure the prosperity and stability of the HKSAR.

We have divided this paper into three parts: the theoretical basis of trust, the situation of and reasons behind the trust levels among different stakeholders of Hong Kong and our proposed solutions to remedy the current situations.

2. Theory of Trust

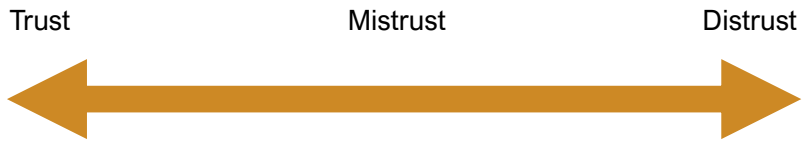
Definition of trust

According to the Oxford Advanced Learner's Dictionary, the word *trust* means "the belief that somebody/something is good, sincere, honest, etc. and will not try to harm or trick you". Esther Perel, a Belgian psychotherapist, suggests that "[t]rust is the active engagement with the unknown. Trust is risky. It's vulnerable. It's a leap of faith." (Perel, 2017)

There are two other terms used when we talk about antonyms of trust. *Distrust* would be one of them, which merely means the lack of trust. *Mistrust* would be the other one, which means people do not

know whether the target would be trustworthy. As a result, people have to find out whether the target would be really trustworthy.

Figure 1. The relation between trust, distrust and mistrust



Definition of political trust

For political trust, it relates to the citizens' confidence in political institutions. The political trust level at different states will be different due to various objective and subjective determinants, which will be explained in detail later in this article. In a broader sense, there are two levels/dimensions for political trust: the first one is "macro-level" which means diffuse and system-based (i.e., whether the citizens trust in the whole political system); another dimension would be at "meso-level" which means institutional-based (whether the citizens trust in certain political or governmental bodies).

3. Determinants of Trusts

There are many academic bodies or consultancy firms studying trust levels among different bodies within the world. Edelman Trust Barometer is one of the well-known consultancy firms in the world focusing on the study of trust and credibility. Edelman Trust Barometer study the trust and credibility of the world's four major institutions every year: (1) government, (2) business and industrial sector, (3) media, spokespeople and various media platforms and (4) non-governmental organizations (NGOs). Their yearly study is one of the longest running pieces of intellectual property in their twentieth year and is often cited by major news outlets, politicians and academics when discussing the topic of trust.

Edelman Trust Barometer (2021) reveals that trust is in crisis around the world. The general population's trust in all four key institutions

including business, government, NGOs, and media has declined broadly. This phenomenon has not been reported since the beginning of trust tracking among these segments in 2012. With the fall of trust, the majority of respondents could not be sure whether the overall system was working for them. In this climate, people's societal and economic concerns, including globalization, the pace of innovation and eroding social values, have turned into fears, spurring the rise of populist actions now playing out in several Western-style democracies. To rebuild trust and restore faith in the system, institutions must step outside of their traditional roles and work with a new and more integrated operating model that puts people at the centre and addresses their fears that they are facing. People around the world began to question whether global institutions could be trusted to protect them from the aftershocks. According to the information from Edelman's 20 years of trust study, the government have regained part of the trust from people because of the economic recovery after the Great Recession. But it didn't return to normal. The sole exception continues to be state-run economies like China and the United Arab Emirates (UAE), where government trust is high. Nowadays, the public is increasingly opinionated. An increasing dependence on social media as a primary source of information has allowed individual experience to eclipse expertise as the source of content. Therefore, the institutions have to change their modes of engaging people. First, trust must be built through participation. People expect their voices be heard and that they will be invited to help shape the institution's future course. At the same time, trust has to be enhanced with a more localized approach. We are now in a society where changes are rapid. We strongly believe that the government needs to take some prompt actions to increase the level of trust with innovative approaches to engaging its people.

The trust between the government and the people should be a two-way relationship. For a unitary government like that of China, there are multiple levels of government. The central government has total power over all its other political subdivisions. In unitary government, there are at least 3 stakeholders to be included in any discussion,

namely the central government, local/regional government and the people of that particular region. While discussing the determinants among different stakeholders, we have to consider at least two aspects, namely the people's trust in the governments and the central government's trust in local/regional governments and its people. In Hong Kong, the discrepancies in the trust level of the people in the central government and the HKSAR government are less prominent because HKSAR government is usually regarded as the local representative of the central government. However, in other parts of the world (e.g. Scottish government in the UK and local government of Catalonia of Spain), the local / regional government have more power than other counterparts of the rest of the World. In this way, the local / regional government may have different ideas from that of the central government. As a result, the trust of the local people in the central government and that in the local / regional government may be different.

People's trust in the governments – People focus on the government's value and the government's competence when they consider whether the government are trustworthy. For the government's values, there are four main aspects which are integrity, openness and transparency, fairness and ethical conduct. The level of trust would be higher if the people could see the government doing the following: it uses power and public resources ethically; it is willing to listen, consult, engage and explain to the citizens; it is eager to improve the living conditions for the citizens; and it is willing to make the right decisions for the best interests of the citizens in the long term with integrity, accountability and purpose.

For the government's competence, it is also important that the government is a responsive, reliable and effective one. The level of trust would be higher if the people could see the government providing or regulating public services effectively and efficiently; it could anticipate changes, protect the citizens with basic needs and provide satisfactory public services.

At the same time, the Organisation for Economic Co-operation and Development (OECD, 2013) could also provide similar insight for the determinants of the trust. According to OECD's study, the determinants for people's self-reported trust in government are as follows: i) government values, particularly the high-level integrity of politicians, appear to be strong determinants of trust in government; ii) overall satisfaction with public services, and most particularly satisfaction with education, health care, child care, welfare systems and perceived security, which strongly correlate with trust in institutions; iii) other contextual factors robustly associated with trust in government are positive perceptions of immigrants' integration and perceptions of social mobility. Financial security and religiosity are also moderately associated with higher trust in government. Trust is important for the success of a wide range of public policies that depend on behavioural responses from the public. For example, public trust leads to greater compliance with regulations and the tax system. Trust is necessary to increase the confidence of investors and consumers.

Trust by the central government in local government - basically, the central government-local government could be described as a supervisor-subordinates relationship. There are three main determinants for the central government (supervisor) trusting in local governments (subordinates). They are integrity, ability and benevolence. If the local government (subordinate) can use its power and resources ethically with ability and use acts of kindness to secure the prosperity and stability of the region, she could be trusted by the central government (supervisor).

The results of having trust towards the government

We believe that there are several benefits for the whole society when the citizens have trust towards the government. First of all, it would help the legitimacy of the government and keep the systems working together. Second, it would increase the efficiency and effectiveness of the government's operations. At the same time, it would lower the transaction costs in any social, economic and

political relationship. Also, it would cultivate positive expectations of a longer-term outcome of public policies. And it would increase citizens' tolerance for any measures imposed and there would be voluntary compliance with government policies so that there would be effective functioning of the government institutions eventually.

The results of distrusting or mistrusting the government

On the other hand, if there was insufficient trust from the citizens towards the government, it would reduce the efficiency, effectiveness of governance and would be more difficult to attract and retain talent to work for the governmental institutions. Also, there would be more disagreements or active resistance to the government's policies from the citizens. Citizens would put their priorities at decisions/measures with immediate, appropriable and partial benefits for themselves and not for the whole society.

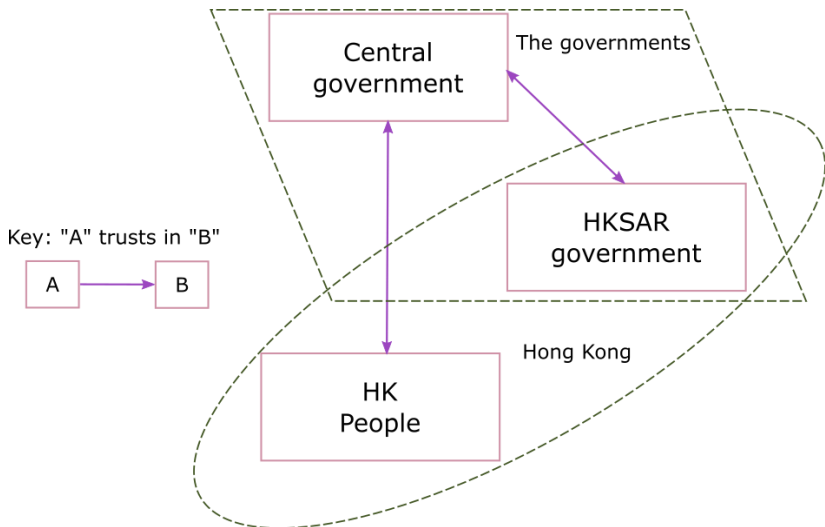
From the surveys that we found, there was the highest level of trust from the Hong Kong people in the HKSAR government between 2005 to 2008 and it started to drop gradually and reached its lowest point in 2020. We realized that there was a better economy and more patriotic views during 2005 to 2008 (the year of the Beijing Olympics). During the years of 2019 and 2020, there were the Extradition Law Controversy and protests from March 2019 until late 2020. In the meantime, there was the first confirmed case for the COVID-19 Pandemic in late January 2020. It turned out that the trust level between Hong Kong people and the HKSAR government had reached its lowest point. Now, there are still many uncertainties in Hong Kong and even around the whole world, e.g., a new era under the National Security Law in Hong Kong and the Post-epidemic era. We discuss it in the later part of the report, which shows the relationship between Hong Kong people's trust in the HKSAR government and the trust in the HKSAR by the central government, and the situation of Hong Kong in particular periods of time.

Therefore, we believe that it is always good to have mutual trust between each party, i.e., the citizens and the governments (the central government and the HKSAR government). Once we have enough trust between them, it will be easier to maintain a higher standard of governance and to secure the prosperity and stability of HKSAR based on the above comments. It will eventually be a win-win situation for all parties.

4 Situations in Hong Kong

Under the “One Country, Two Systems” concept, the trust relationship among different stakeholders in Hong Kong could be described as a “tripartite relationship” as follows:

Figure 2. Tripartite relationship among the central government, HKSAR government and Hong Kong people



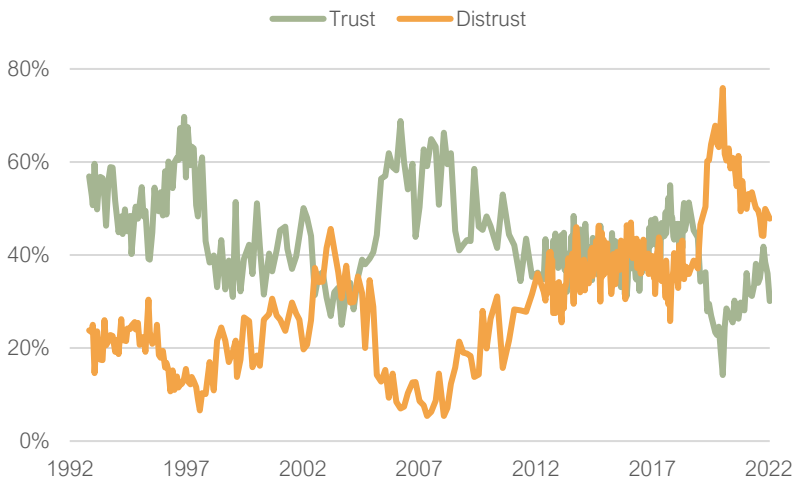
In this tripartite relationship, there are three important stakeholders, namely the Hong Kong people, central government of China and Hong Kong Special Administrative Region (HKSAR) government. From Hong Kong people's perspective, it involves the political trust in the central government and that in the HKSAR government. In reality, Hong Kong people usually perceive the HKSAR government as the local representative of the central government. As a result, these two governments could be considered as a single body during a detailed study on Hong Kong people's trust in the governments (which is further elaborated in a later part of this report). From the central government's perspective, Hong Kong people and HKSAR government are considered as a single entity (Hong Kong). Therefore, the trust of the central government in Hong Kong as a whole will also be the focus of study in this project.

Hong Kong people's trust in the governments

In Hong Kong, there are a number of bodies studying the political trust of Hong Kong people in the governments. The Hong Kong Public Opinion Research Institute (HKPORI) and Centre of Communications and Public Opinion Survey (CCPOS) of the Chinese University of Hong Kong (CUHK) would be two of them. Both bodies have surveyed on the topics regularly for a number of years.

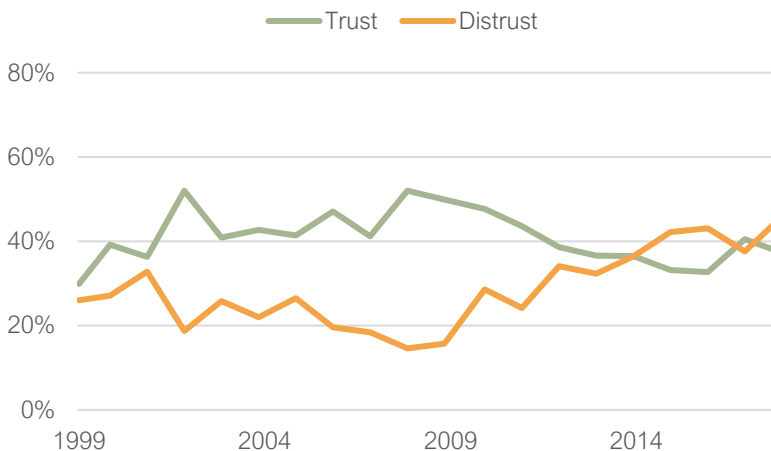
PORI originated from the Public Opinion Programme of the University of Hong Kong (HKU), led by Dr. Chung Ting-yiu Robert. They started collecting data of Hong Kong people's trust in the governments in the 1990s. PORI would send out surveys regularly to determine the percentage of respondents expressing trust and distrust in the governments. The net value of the political trust level of Hong Kong people in the governments was measured by subtracting the percentage value of trust by that of distrust. The trust levels in the HKSAR government and that in the central government are shown as follows:

Figure 3. Trust level of Hong Kong people in the HKSAR government



Source: Hong Kong Public Opinion Research Institute (2022)

Figure 4. Trust level of Hong Kong people in the central government

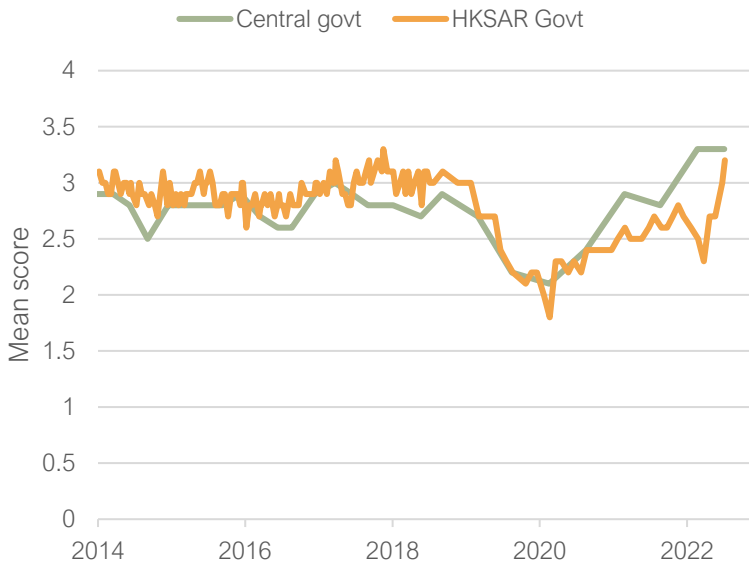


Source: Hong Kong Public Opinion Research Institute (2022)

CCPOS is under the School of Journalism and Communication of CUHK. They monitored the views of Hong Kong people on political reform and the public opinion on other important social issues in

Hong Kong since 2014. CCPOS measured the trust level of respondents in the HKSAR government and the central government with a 10-point scale (0 points meaning “no trust at all” and 10 points meaning “total trust”). By measuring the percentage of respondents for each point, the weighted means score for trust level on the governments could be obtained for each surveyed period. The graphs showing the Hong Kong people’s trust in the HKSAR government and that in the central government are as follows:

Figure 5. Trust level of Hong Kong people in the HKSAR and central governments



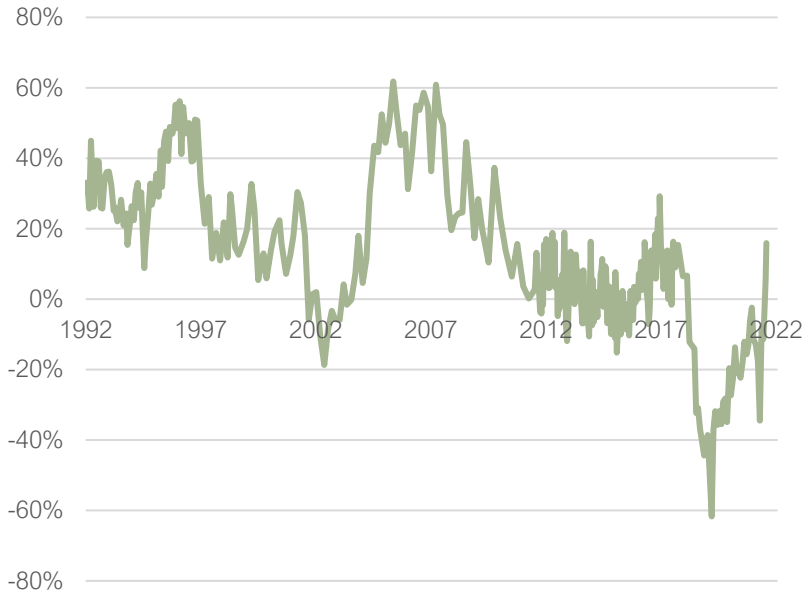
Source: Centre for Communication and Public Opinion Survey (2022)

There are two observations for the graphs that have been shown. First of all, despite the data being collected by different bodies, the

overall trends of the trust levels being found by two sides are matched within the studied period. It could serve as evidence of the data collected by them as being relatively free from bias. Secondly, as mentioned before, the HKSAR government is usually perceived as a local representative of the central government by Hong Kong people. As a result, the trends of the Hong Kong people's trust level in both governments are similar. Even during the time that the central government did not have any actions on Hong Kong, the trust level was affected by the actions taken by the HKSAR government. One of the most prominent examples are the Extradition Law Controversy and related protests in 2019, which will be further elaborated later.

Having a closer look at the level of Hong Kong people's trust in the HKSAR government, we can find an interesting trend. According to the survey by PORI, the trust level in the government was very high in mid-2008 (in fact, the level reached its historical peak at that time). However, despite the sporadic ups and downs, the general trend was downward. And the level reached its historical trough in the mid-2019 to mid-2020 period. The trend could be explained by matching the events that happened in these 13 years and the determinants proposed by OECD which will be mentioned in the "Theory" part of this article.

Figure 6. Net trust level of Hong Kong people in the HKSAR government related to events



Source: Hong Kong Public Opinion Research Institute (2022)

(1) Global Financial Crisis (GFC) in 2008-2009

As triggered by the subprime mortgage crisis, GFC started in the third quarter of 2008. At that time, the economy of Hong Kong was facing a downturn. The unemployment rate of Hong Kong climbed to 5.4% (HKC&SD 2010), which was one of the prominent peaks in the history of Hong Kong after the handover of sovereignty to China in 1997. Due to the economic turmoil, the HKSAR government was perceived as unreliable and unresponsive. Also, during a crisis, poor people are usually more prone to the impact of a poor economy. It would give a perception of unfairness of the government, leading to improvement of the rich people's living only without offering a hand to the poor.

(2) Leung Chin-man appointment controversy

The controversy happened in late 2008, when the former Permanent Secretary for Housing, Planning and Lands Leung Chin-man was appointed as the Deputy Managing Director and Executive Director of New World China Land Limited after his retirement. The appointment was approved by the Advisory Committee on post-service employment of civil servants and supported by the Secretary of Civil Service (SCS). However, the appointment was perceived as an offer after the sale of the Hung Hom Peninsula Home Ownership Scheme (HOS) housing estate to New World Development at a lower than market price in 2004. Eventually, Leung resigned from his post and SCS apologised for the poor handling of the case which undermined the authority and credibility of the Civil Service Bureau. After being discovered by the mass media, the HKSAR government was perceived as having a “values” problem (no integrity and no openness).

(3) ‘Five constituencies referendum’ controversy

In order to push for a political reform and the abolition of functional constituencies, the pan-democrats decided to let 5 legislators (1 for each of 5 geographical constituencies) resign and seek a territory-wide by-election in 2010. Although the Basic Law of Hong Kong did not provide for official referenda, the by-election could be seen as a de facto referendum and an endorsement of these issues. Because of the boycott by the pro-establishment parties, the 5 resigned legislators were returned to the Legislative Council by voters with a turnout rate of 17.1%. The by-election was criticized as a waste of taxpayers’ money, which was not ethical.

(4) Manila hostage crisis

On 23 August 2010, a former Philippine National Police officer hijacked a tourist bus with 21 Hong Kong people and four local Filipinos in Manila, the Philippines. Eight hostages were killed and some others were injured during the incident. Despite the tragic ending of the incident, the HKSAR government showed a strong

stance to the Filipino government. The HKSAR government conducted a separate investigation into the incident and concluded that the Philippine officials' poor handling of the situation caused the eight hostages' death. At the same time, the HKSAR government provided appropriate and prompt assistance to the victims of the crisis or their family members during and after the incident. As a result of that, the HKSAR government was perceived as responsive to citizens' needs, reliable as a protector to its citizens and transparent for the whole course of the crisis. It provided a rare opportunity for the HKSAR government (and they did it at that time) to improve the Hong Kong people's trust in them in the overall trend of the deteriorating trust level.

(5) Moral and national education controversy

Moral and national education was planned to be introduced as a new subject in primary and secondary schools to replace Moral and Civic Education by the Education Bureau of HKSAR government in 2012. However, based on scepticism of the contents and intentions of the reform, different protests were held by pressure groups in Hong Kong (mainly students, parents and teachers). As a result, the government postponed the commencement of the subject indefinitely. However, during the process of introducing the subject, the HKSAR government had already given an impression of being unethical, untransparent and unable to regulate a public service (Education) according to people's needs.

(6) Hong Kong Television Network Limited (HKTV) controversy

HKTV submitted an application for a domestic free television programme service license. However, the application was rejected by the Executive Council of the HKSAR government in 2013 amidst competition from television operators, Fantastic Television and HK Television Entertainment. The government gave a "gradual and orderly approach" as the sole reason for the decision. Protests were held by the public, asking for a stop to the monopoly of the local TV market dominated by Television Broadcasts Limited (TVB). They

considered the HKSAR government led by the Executive Council as not being transparent and favouring pro-government TVB, which was not ethical. This caused a further drop in the trust level of Hong Kong people in the HKSAR government.

(7) 2014 Hong Kong electoral reform and the related protests (Umbrella Movement)

According to the “8.31 Decision” made by the Standing Committee of the National People’s Congress (NPCSC), a nominating committee would be formed to nominate 2-3 candidates for the 2017 Chief Executive election, each of whom must have received the support of more than half the members of the nominating committee in order to be qualified. The decision was considered as a violation of the principle of free and fair elections by pro-democracy activists. Subsequently, it led to a large-scale, 79-day occupation protest (Umbrella Movement) demanding more transparent elections for the Chief Executive of the HKSAR in future. Again, the government was perceived as unethical and not transparent enough during the deliberation process of the decision.

(8) 2016 Mongkok civil unrest

This event occurred in Mongkok and resulted from the government's crackdown on unlicensed street hawkers during the Chinese New Year holiday on 8 February 2016. Eventually, violent clashes broke out between police and protesters, resulting in injuries on both sides. The HKSAR government classified the violent incident as a riot and condemned the protest. Eventually, the government was again blamed for their unethical actions and non-transparency during the incident.

(9) 2016 Legislative Council candidates’ disqualification controversy and Hong Kong Legislative Council oath-taking controversy

During 2016 Legislative Council election, the Election Affairs Commission (EAC) banned six potential localist candidates from

running for the Legislative Council, despite some of the candidates having signed the additional confirmation form to declare their understanding of Hong Kong being an inalienable part of China as stipulated in the Basic Law of Hong Kong. After the election, six more pro-democracy or localist members-elect of the Legislative Council were disqualified as legislators after improper oath-taking behaviour of those involved. Furthermore, four out of the six disqualified members-elect were rejected after the clarification by NPCSC of the requirements for oath-taking of legislators. As a result, the decisions regarding the incident made by the HKSAR government and the central government were considered as biased and not transparent at all.

(10) Former Chief Executive Donald Tsang Yam-kuen being found guilty in the charge of “Misconduct in Public Office”

In 2015, Donald Tsang (the 2nd Chief Executive of the HKSAR) was charged with misconduct in public by the Independent Commission Against Corruption (ICAC), because he failed to disclose plans to rent a luxury penthouse for his retirement from Bill Wong Cho-bau, whose company had successfully obtained a broadcasting license during Tsang's term. After a long trial, Donald Tsang was found guilty of the charge in early 2017. The HKSAR government was perceived as being transparent and just, as the former top official of the government could still be held accountable for his wrong-doing.

(11) Hang Seng Index (HSI) reached its all-time highest: On 29 January 2018, the HSI reached its highest point ever of 33,484.08. In view of the economic growth, the public showed satisfaction with the public services and perceived the HKSAR government as responsive and reliable. As a result, the trust level of Hong Kong people in the government rose during this period.

(12) Extradition Law Controversy and associated protests

The Fugitive Offenders and Mutual Legal Assistance in Criminal Matters Legislation (Amendment) Bill 2019 was introduced in early 2019. However, it caused widespread criticism locally and

internationally from the legal profession, journalist organizations, business groups and foreign governments, fearing the erosion of Hong Kong's legal system and built-in safeguards, as well as damage to Hong Kong's business climate. There were multiple protests against the bill in Hong Kong. The protests were further escalated by the police's inaction/reaction during the Yuen Long attack and the Prince Edward station attack in 2019. There were also critics urging the government to establish an independent commission of inquiry to respond to the situation. During the period, the HKSAR government was criticised for being unethical, untransparent, unfair, unresponsive to the public's needs and unreliable. As a result, the trust level of Hong Kong people in the HKSAR government was brought to its lowest point in Hong Kong's history.

(13) COVID-19 pandemic

As part of the worldwide COVID-19 pandemic, Hong Kong 's first case was confirmed in January 2020. It completely changed (and is still changing) the daily lives of Hong Kong people. The infection has lingered for nearly 1.5 years and certain pandemic fighting policies introduced by the HKSAR government have been considered not only based on unscientific analysis, but also impelled by some political agendas. Therefore, the HKSAR government was criticized for being unresponsive, unreliable and not transparent enough, which brought the trust level of the government even lower.

(14) Resumption of social stability

Due to the gathering limitation imposed after the COVID-19 Pandemic, the protests which were the result of the extradition law controversy started to die down from the second quarter of 2020. The general condition of the society became peaceful again. The basic needs of the citizens could be protected and the public services could be provided, which eventually caused an increase in the trust level in the HKSAR government.

Central government's trust in Hong Kong

The relationship between the central government and the HKSAR could be considered as a “Supervisor-subordinate” relationship. As mentioned at the “Theory” part, the trust of a supervisor in a subordinate would be determined by the integrity, ability and benevolence of the subordinate (Knoll and Gill, 2011).

However, unlike the trust level of Hong Kong people in the governments, there is no well-known quantitative analysis of this issue. As a result, the trust level of the central government in Hong Kong can only be studied indirectly with some qualitative evidence and matched with the determinants mentioned before.

Soon after the handover of sovereignty to China, the direction of governance of the central government in the HKSAR was “non-interference” in nature. Provided that the principle of “One Country” was being upheld, a certain amount of flexibility was provided for the HKSAR to develop its own system (“Two Systems”). However, upon the events that happened afterward, this “non-interference” policy of the central government was changed as a consequence. For example, after the huge protest against Article 23 in 2003, the Central Coordination Group for Hong Kong and Macau Affairs changed the policy towards the HKSAR, the Politburo Standing Committee (PSC) member and Vice President ZENG Qinghong became the leader of the group that year. The group was later upgraded to become the Central Leading Group after the Hong Kong protests in 2019-20. Those changes pointed to the tightening of control (and the decline in level of trust) of the central government on the HKSAR. Another example would be the issuing of the white paper, “The practice of One-Country, Two-System in the HKSAR” by the State Council just before the “referendum” on the plan for “Occupy Central”. In the white paper, it stated that the central government had the total power over the HKSAR, which could be interpreted as a sign of declining trust of the central government in the HKSAR.

The reaction of the central government after the extradition law controversy could be examined more closely to determine their level of trust in the HKSAR. After the extradition law controversy, the related protests lingered for more than half a year. The property damage was estimated to be at least HK\$5.35 billion. Those events reflected the problems of the HKSAR governance, which caused a crisis of “One Country, Two Systems”. As a supervisor (central government), it had to recognize the incapability of the HKSAR government (subordinate) in terms of governance. As a result, all pro-Beijing parties suffered major setbacks and losses in the 2019 Hong Kong District Council Election. In February 2020, Zhang Xiaoming, the former director of Hong Kong and Macau Affairs Office and one of the persons-in-charge of Hong Kong affairs in the central government, was demoted to deputy director. It could be interpreted as a sign of dissatisfaction in Zhang’s ability and performance during the 2019 Hong Kong District Council Election, which reflected the distrust of residents in the HKSAR.

Furthermore, the National Security Law (NSL) was drafted by the NPCSC (the supervisor) and promulgated in the HKSAR in June 2020. According to an interview of Zhang Xiaoming by a journalist of the Xinhua News Agency (the most influential media agency in China and the major channel for the distribution of news related to the central government), the NSL was aimed at redressing deviation from the right track on “One Country, Two Systems” that had occurred in the HKSAR. That meant the HKSAR was on the wrong track and the NSL could be utilised as a tool for the HKSAR (an incapable subordinate) to solve the problem with.

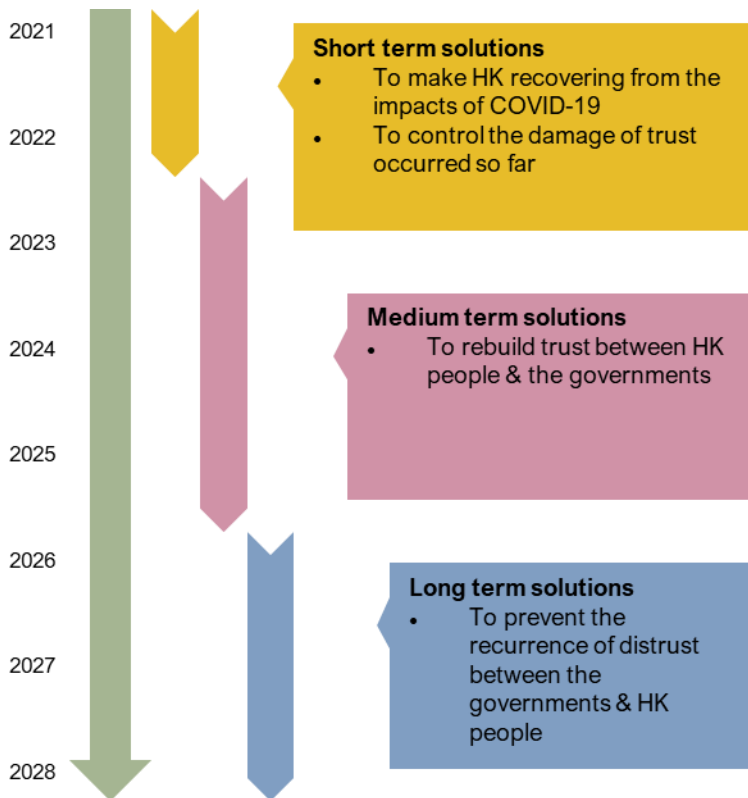
In addition to the NSL, the “Decision on Improving the HKSAR’s Electoral System” by the National People’s Congress (the Decision) could also be considered as a tool for maintaining the control of the HKSAR by the central government. After the protests in 2019, the central government reiterated the importance and needs of upholding the principles of “One Country, Two Systems”. However, the central government was uncertain whether the “One Country, Two Systems” could be upheld since the HKSAR government

appeared to be a powerless manager of the city after the protests in 2019. Therefore, the Decision came into play. There were a few objectives in the Decision, including: (i) to ensure that the implementation of “One Country, Two Systems” in Hong Kong was in line with the original aspiration; (ii) to stabilize the social order in Hong Kong; and (iii) to guarantee that Hong Kong was administered by patriots. As a result, the tool (the Decision) was required to ensure that the patriots were in a proper position to fully and faithfully apply the principle and spirit of “One Country, Two Systems”. However, on the other hand, the Decision could also serve as evidence of distrust in the HKSAR government’s ability to discharge its duties.

5. Proposed Solutions

Based on the above situation in Hong Kong, we propose solutions to remedy the current situations. In view of this, there could be short term, middle term and long term solutions. Short term solutions aim at helping Hong Kong recover from the impacts of COVID-19 and controlling the damage of trust that has occurred so far. Medium term solutions aim at rebuilding the trust between Hong Kong people and the governments. Long term solutions aim at prevention of the recurrence of distrust between the governments and Hong Kong people. The timeframe of the solutions are illustrated below.

Figure. 7 Timeframe and the aims of the proposed solutions to improve the level of trust among the central government, the HKSAR government and HK people



The vicious cycle of trust and distrust has been tough, and the perceived unethical, untransparent nature of the administration in Hong Kong could increase distrust, which would lead to non-compliance of government policies. Massive non-compliance would fuel policy failure, which could increase the perception of incompetence and lead to further distrust. The vicious cycle would then worsen.

Short term solutions

In the short term, it is essential to address the challenges from COVID-19 Pandemic and its impact on economy, which improves the trust element of responsiveness and reliability. The HKSAR government has performed in a mixed way when combating the pandemic. The first and the second wave of COVID outbreaks were successfully contained due to the habit of and belief in wearing masks and proper use of disinfectants amongst Hong Kong people, along with social distancing after the 2003 SARS outbreak experience, despite some criticism for loosening broader control measures. The subsequent occasional outbreaks resulted in prolonged impact to businesses that could have further lowered public trust, attributed by loose exemptions and quarantine policy for international returnees. The measures of tight compulsory hotel quarantine policy and massive capacity in rapid COVID testing with community lockdowns had been proven effective in Mainland China, and the Hong Kong government adopted such strict measures in late 2020 to combat mutated strains of COVID.

It is necessary to promote vaccination with incentives as vaccination of a substantial proportion of the population is critical to attain herd immunity against the virus in society. The vaccination rate in Hong Kong is not currently high, with around 1.18 million (18% of the population) having taken only the first dose, and two-thirds having taken two doses. The age 20-29 group are the least vaccinated and this might reflect trust issues associated with the government. Two major brands of vaccine have been made available in Hong Kong, namely CoronaVac (Sinovac) and Comirnaty (BioNTech), for free, where the BioNTech vaccine apparently has had a greater take-up since its introduction in March 2021.

There should be measures to ensure that the general public can understand and access information regarding the safety, efficacy and side effects of vaccination, as this action can increase public confidence. The Hong Kong government has attempted to be transparent in different media. Its official online information allows

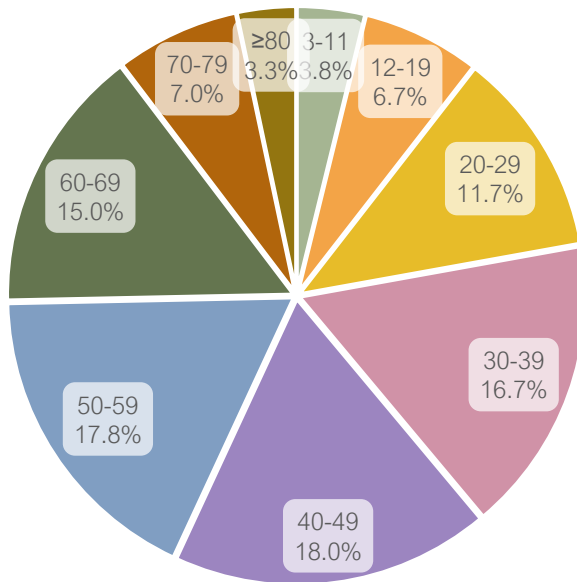
QR code scanning to fact sheets and concise guides on information of vaccines and the vaccination process. Important considerations due to chronic diseases have been revealed, and video series with family doctors for easy understanding have also been disseminated. The “Busting the Myths about COVID-19 Vaccine” series' was helpful. Vaccination has been a crucial measure in the public health aspect. If the government could increase public confidence in vaccination safety and advocacy for quarantine, this could safeguard the health of the public. Indeed, there were public suspicions to a link established between the vaccine and the complications and deaths. Complications and death cases associated with vaccines should be reported to the public with clarity, not only by the government but responsibly by the mass media.

The Hong Kong government have provided incentives to fully vaccinated individuals with less stringent quarantine and more relaxed COVID-19 rules, including various “vaccine bubbles” that were applied to restaurants, and zoning for the number of persons per table. In the USA, diverse economic incentives for vaccinations which have been adopted by business sectors and the government, such as small monetary payment by business corporation, gift cards, \$100 bonds savings, \$1 million lottery, free rides to vaccination sites, complementary food and drinks at participating restaurants, free tickets for events and attractions, have been used to increase the vaccination rate, especially for young people.

Extra assistance to people in hard-hit sectors (tourism and consumption related sectors) with financial subsidies should be provided. The one-off cash subsidy of HK\$10,000 and consumption coupon of HK\$5,000 were not adequate for normal livelihoods. With other relief measures including SME Financing Guarantee Scheme and the Employment Support Scheme introduced by the Hong Kong government, it received criticism for easing cash flows to businesses (e.g. such as supermarkets and large retail sellers of daily necessities), which yielded more profit during the pandemic. Additional measure are also recommended such as assisting and

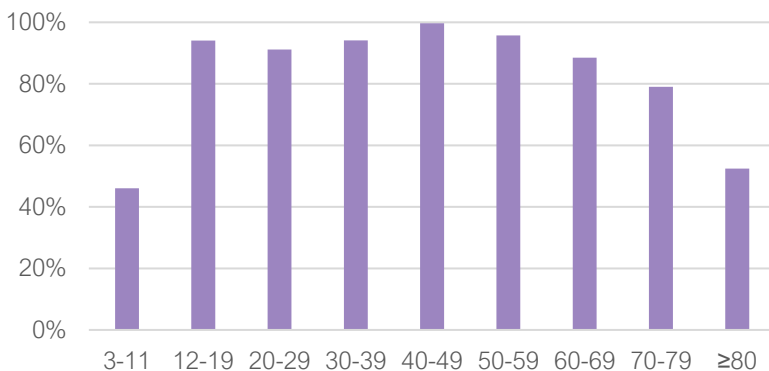
preparing for employment, and if necessary, social welfare assistance.

Figure 8. Vaccine doses administered in Hong Kong by age group



Source: The HKSAR Government (COVID-19 Vaccine Dashboard), 2022

Figure 9. Proportion of vaccinated over population by age group



Source: The HKSAR Government (COVID-19 Vaccine Dashboard), 2022

Figure 10. Infographics for COVID-19 vaccination (example for the elderly)

A concise guide

1

For the Elderly

The elderly should receive COVID-19 vaccines as soon as possible for their personal protection.

Experts recommend that any elderly who have received influenza vaccines before can safely receive COVID-19 vaccines.

The elderly are the group with highest risk of complication and death from COVID-19 disease.

COVID-19 vaccines protect the elderly from having serious disease and death from COVID-19.

Even with chronic disease(s), the elderly should get vaccinated as soon as possible for protection if these disease(s) are under stable control.

For the frailest elderly, the benefit versus risk may have to be carefully weighed.

Version date: 24 September 2021 Please refer to [online version](#) for most updated information

Source: The HKSAR Government (COVID-19 Vaccine Dashboard), 2022

Providing suitable retraining and reskilling courses for the workforce could help the transformation of economic sectors recover from the damage of the 'double-disruption' of COVID-19 pandemic and rise of automation. Unemployment surged to 7.2% in 2021 Q1. The number of workers was reduced due to increasing use of technology and contractors. The World Economic Forum (2020) estimated that approximately 100 million additional roles may emerge and these would be more adapted to the new division of labour among

humans, machines, and algorithms. Technology is altering the work nature and roles, and that requires effective and speedy learning for development, upskilling to keep up with and meet the changing needs. Digital-skills demand is increasing, where technological education in AI, data analysis, machine learning, process automation increase the competitive edge of workforces. Employees are required to have a higher degree of critical thinking, analytical, problem solving, and self-management skills. Good and specific training programs are crucial to upskill workforces, and these programs are constructed with the skills forecasted to correspond with new waves of jobs.

Medium-term solutions

Our proposed medium-term solution is the continuous explanation and clarification of decisions made by the National People's Congress (NPC) in the National Security Law (NSL), and improving the Electoral System of HK could help increase trust elements with more openness, fairness and responsiveness. A telephone survey by the Bauhinia Institute (紫荆研究院) in June 2020 (n=1297), albeit Pro-Beijing thus criticized as biased, also suggested that more than one-third of interviewees worried about the NSL. Data also suggested that emigration of HK people was surging.

With the enactment and implementation of NSL and the electoral system revision, officials of the central government could soften the tensions by delivering softer messages, made via various media channels. The NSL should not be overused; it should only be used against a small number of offenders. With national security being a prerequisite for further development of democracy in HK, democracy and patriotism are not incompatible with each other.

It might even be possible to provide a roadmap to democracy if national security could be ensured by patriots' governance and central government liaison. The improvement of Hong Kong's electoral system is not equivalent to the end of universal suffrage or a higher degree of democracy. The NPCSC amended Annex I and

Annex II of the Basic Law without the modification of Articles 45 and 68 of the Basic Law, which stipulates the principle of gradual progress to eventually reaching the goal of universal suffrage for the Chief Executive and all Legislative Council members. Despite a different direction from the recent electoral revision, the “31 August Decision” remains open and not yet abolished after the NPC decisions. While universal suffrage should not be deemed as the only key indicator of democracy, with a stable and prosperous society, and with the trust of the Central government, the roadmap to democracy could remain open. It could be part of the strategy that the Central government could adopt to woo people in Taiwan for a formal unification to the motherland, to show that ‘One Country Two Systems’ could also work in Taiwan.

In the right social atmosphere and opportunity, it is possible to consider conducting the Hong Kong version of the Grand Debate, which could improve the trust elements of integrity, openness, fairness, responsiveness.¹ It would provide a formal platform for the communication and reflection within the society for the way forward for Hong Kong. This would reduce the public grievances before the next explosion, where the details and the causes of conflicts in 2019 would be touched. It would also help to understand the ideas of different stakeholders, including members of the opposition.

Such debate should be steered by well-respected person(s) who are centrists. The format could be in the forms of community hall debates, local meetings, online debates and comment books made available at community halls, with participation of government officials, officials of the Liaison Office of Central People’s government in the HKSAR and opponents. The data collected would be processed by official personnel and serve as the basis for the long-term solutions.

¹ “Grand Debate” was launched by French President Macron after the “Yellow Vest Movement”. Nationwide campaigns gather grievances and suggestions through multilevel debates, meetings or comments, followed by data processing by official personnel. French PM presented and sketched out the key demands to be addressed.

As part of the HK version of the Grand Debate, we suggest that reconciliation committees could be set up as well, which should be chaired by non-partisan and well-respected person(s) (Path of Democracy, 2019). This would help to rebuild trust and encourage forward-looking in the society, instead of blaming or proposing retribution to wrongdoers. Details and causes of the conflict would be sought in order to produce a reconciliation plan. The reconciliation committees should be granted the power of discovery and calling witnesses, granting immunity to people giving evidence and proposing or recommending amnesty for the Chief Executive to consider after full trial, if it were conducive for rebuilding trust and social cohesion.

Long-term solutions

The aim is to prevent the recurrence of distrust between the governments and Hong Kong people. Our proposed long-term solution is to cultivate the talents of political leaders fitting “One Country Two Systems” to solve in-depth social issues, including income inequality, lack of social mobility of youth and housing issues. If these issues can be handled, this can build trust with high responsiveness, fairness and reliability to society. Long term benefit policies should be built with accountability and handled in a more proactive way for economic and livelihood issues. Hong Kong government officials lack formal official assessments and accountability as perceived by the public, and the long-term policy plans should go beyond the administrative terms.

The reasons leading to the situation are complicated and these have been left unresolved for a long time. Unlike young people and grassroots in the previous generation, who were able to achieve upward mobility through education and employment, current youth face greater difficulty in achieving such an upward move in social status under the “M-shaped society”, while there is an increasing trend in the disparity between the rich and the poor. The HKSAR government lacks foresight in its policies and has not been able to solve Hong Kong’s social and people’s livelihood issues

through its intervention. It is difficult to resolve these issues because the political structure restricts each other with the adopted principle of “small government, big market”. The failure in the development of the innovation industry but depending on four pillar industries (financial services, professional services, logistics and tourism) as the driving force of economic growth and employment creation will not be adequate.

It is possible to establish training mechanisms for political talent and public officials, along with a talent selection system to mould governance talent truly suitable for “One Country, Two Systems” to support the administration. Such talent is required to (i) have perspectives of the globe, Mainland China and Hong Kong; (ii) have vision and understanding for the future development of Hong Kong from multiple positions simultaneously, including the identity as an international city, the Special Administrative Region of China, and the home for the Hong Kong people. Those with such talent should also have solidarity in the Hong Kong civil service team with the capacity to deal with political issues and eager to establish a higher level of governance.

For public officials, different kinds of training can be provided by the Central government to improve the quality and competence of Hong Kong's civil servants, such as rotations and exchanges with civil servants in the Greater Bay Area, to learn about the two different political cultures, management models, and governance mechanisms. Senior civil servants can be transferred to relevant national ministries and international organizations instead of confining themselves to Hong Kong only. By being transferred to the Central government, one can understand the policies and national issues in a more macroscopic way. They will return to Hong Kong with enhanced experience, improved governance capabilities and vision.

Multiple channels of cultivation of future political talent are required. It could be achieved by establishing a young talent pool to offer opportunities for those who are interested in public affairs to show

their talents. The Hong Kong government should improve and open up the "revolving door system" for the circulation of talent. Such recruitment could be from enterprises, professionals from non-governmental organizations, universities, think tanks, etc. In this way, more innovative yet down-to-earth ideas could be introduced into the public institutions for better governance of Hong Kong. At the same time, government officials could rotate to those NGOs or think tanks, so that they could understand what sort of issues their policy stakeholders are facing. After stepping down from public positions, the former public officials could return to think tanks and other organizations while teaching and researching on public policies and educating the next generation of young talent with their practical experiences in governance.

There are opinions of the reintroduction of the Central Policy Unit for more openness, responsiveness, reliability and more trust in the society. It would act as a policy generator with updated function, keeping pace with current ways of communication and social interaction, promotions and education, and increasing transparency. It would also act as a coordinator for policies involving various bureaus. It could encourage the public to participate in consultations and expressing their opinions. The utilization of big data to monitor public opinion for timely responses would be essential.

In conclusion, we believe that the prosperity and stability of the HKSAR would be secured and the Central government would regain trust in Hong Kong, if Hong Kong could maintain its own long-term prosperity and stability by proactively participating in the national development, upholding the principle of 'One Country, Two Systems', and safeguarding national security.

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