

Commission on Strategic Development Executive Committee

Strategic Issues that may be Discussed at Future Meetings

The Government has received from various sectors of the community many suggested topics concerning the long-term development of Hong Kong that may be discussed by this Committee. They are set out below.

(1) Our concept of development

- Is the development that we need a comprehensive, balanced, stable and sustainable one that promotes the well-being of the people?
- Is a community with social, economic, cultural, political and environmental harmony the one that we yearn for?
- What other roles and visions do we have?
- As Hong Kong forges ahead, what factors have upset the equilibrium and need to be adjusted by government policies?
- Is our perspective turning from global vision to narrow localism?
- In what respects will our community's inadequate understanding of national affairs in general have negative impact on Hong Kong?

(2) Political development

- That we should promote the relationship between Hong Kong and the Central Government and between Hong Kong people and our 1.3 billion compatriots is beyond question. How can we develop democracy in a gradual and orderly manner on the basis of "One country, Two systems" and our legal system?
- Should we attach greater importance to national education and civic education?

- Are moral education and character education successful in Hong Kong? How should we enhance moral education and character education as the basis for exercising our civic rights and political rights?
- How to take forward democratic development without affecting or undermining the development in other areas? For example, without affecting economic prosperity; without causing social instability; without impairing the efficiency and effectiveness of the Government; without undermining the trust and relationship between Hong Kong and the Central Government as well as our Mainland compatriots...
- What attitude should we take and what culture and conditions necessary for democracy should we promote to take forward the development of Hong Kong's democracy in a sustained and orderly manner as planned?
- Some groups and people in the community have great expectations of democracy. If things do not go their way, we fear that there will be frequent conflicts in the community. What should the Government do?
- It appears that the financial burden of the Government has become increasingly heavy. Are the functions of the Government too wide for it to perform?
- The gargantuan structures of the Government and the public sector have added to the burden of our coffers. Do we need to reform our administrative system and the public sector to facilitate political development?

(3) Social development

- With the gradual integration of Hong Kong and the Mainland, especially when the boundary separating Hong Kong from Shenzhen and the Pearl River Delta (PRD) region shows signs of disappearing, social problems such as split families and gender imbalance are bound to arise. For instance, there will be a growing pool of people living in Hong Kong who are entitled to social welfare and subventions but are outside the tax net. What should we do to rectify this situation?
- Hong Kong has been plagued by a number of social problems. Our unemployment rate has been hovering at a relatively high level and the situation is particularly serious among the young people; the income gap has widened; the social hierarchy is experiencing structural changes resulting in sporadic clashes between different social strata; the middle class is haunted by anxiety and perplexity with an emergence of internal conflicts; occupational structures are undergoing rapid changes to which

some have encountered difficulties in making the necessary adjustment; upward social mobility has decreased; digital gap breeds unfair competition; and there is also the problem of inter-generational poverty where some people cannot lift themselves from the low social class and so do their posterity. How are we going to solve all these problems?

- Should we take special care of the interests of a certain group or class of people in our society?
- How should we help the minorities integrate into the society so that they can call Hong Kong home?
- Social conflict, public jittery and populism have undoubtedly posed threats to our society.
- Demographic change and an aging population are pressing issues.
- Because of career pursuit or job commitments, Hong Kong people may have neglected their families. And with diminishing traditional family values, different family problems have surfaced.
- Does “Big Society, Small Government” mean effective interaction and co-operation between the government, enterprises and civil society? If so, can some social problems be solved by the community itself, so that the government can channel more resources to meet other public demands? To which country or region’s voluntary work culture and community service models can we make reference? How should the Government promote civil society?
- Do we need to reform our social security system? What are your views on medical reform?

(4) Economic development

- How should Hong Kong enhance its competitiveness?
- Should Hong Kong place more premium on economic and industrial diversification? Are our present means of wealth creation and industrial structure too narrowly based?
- Is the pace of the upgrading of the manufacturing sectors of Hong Kong and the PRD too slow that Hong Kong’s economic transformation and regional economic cooperation have been hindered?
- In what areas can the Hong Kong economy break new grounds and achieve further growth? What should the Government do to facilitate economic breakthroughs and growth?

- On the often-cited “Big Market, Small Government”, what does “Small Government” mean? To play an appropriate role, what should the government do and not do?
- What should be done to enhance Hong Kong’s business environment?
- Is it possible to revive our manufacturing industry? If so, what type of manufacturing industry should we develop? What role should be played by the government?
- What should be done to assist the small and medium-sized enterprises in overcoming the problem of high operation cost, facilitating more input to technical know-how and reducing market risks?
- How should we encourage tertiary institutions to engage in studies of product innovation; and how to channel such scientific products into the production lines of high value-added industries?
- Does our education system serve adequately the needs of economic development; and is it advisable to assign a more significant role to vocational education or to reinstate the vocational schools?
- How to capitalise on the vibrant economy of the Mainland; should Hong Kong forge even closer and deeper economic cooperation relationships with Shenzhen, Pearl River Delta Region and Pan Pearl River Delta Region?
- How to reinforce Hong Kong's trade and economic ties with overseas economies; if Hong Kong is to serve as a bridge between China and the rest of the world, how should we equip ourselves for such a role; and what should be the right direction for Hong Kong?
- Have the following factors created a bottleneck in our economic development? For example, mismatch of manpower resource; inordinate emphasis on certain areas in terms of knowledge and technology; lack of creativity, flexibility and adaptability among the people; inadequacy of expertise and skills required for developing a knowledge-based economy; low proficiency in Chinese, English and Putonghua, etc. How should we tackle these problems?
- How should we improve the prospects and livelihood of low-knowledge and low-skilled workers? How should the proportion of low-knowledge and low-skilled workers in our workforce be lowered in the future?
- As an international financial hub, Hong Kong is not immune to the impacts of the globalization. How should we prepare ourselves for, and respond to, the instability and uncertainty of the global economy?

- Hong Kong, as the only international financial centre of our country, is tasked to raise capital for the state and provide investment opportunities for private money from the Mainland. To prevent the loss of state equity and maintain a healthy state economy, do we need to further fine-tune the financial system and the relevant laws and regulations of Hong Kong?
- How can Hong Kong further develop its headquarters economy? As China's capital of services, should Hong Kong become a host to the headquarters of Mainland enterprises, particularly as their financial, management and logistics centre?
- If RMB business is fully opened up and RMB becomes freely convertible one day, what will be the implications for Hong Kong as a financial centre?
- Should we prepare ourselves for the possible decline of some of our core industries such as container freight industry? Will our tourism, financial and other services industries be also under threat?
- Do we need to introduce tax reform and broaden our tax base to ensure that we have healthy and stable public finance while promoting equity and justice? Do we need to conduct a review of the principles of taxation and the taxable items in Hong Kong? What will be the impact, advantages and disadvantages?
- How can the potential of our local economy be realised? Real estate is the biggest element in our local economy and has enormous potential for further development. On the premise of maintaining the stability of the real estate market, what should we do to improve the living environment and conditions of the people?

(5) Crisis

- What crises are we facing? Energy shortage? International terrorism? Serious international and regional conflicts? Spread of infectious diseases? Persistent trade protectionism? Are there any other major threats?
- All in all, peace, development and multi-lateral cooperation will be the key tone in the next few years. Can this key tone foster a more favourable atmosphere for Hong Kong's development?

(6) The adaptability and administrative efficiency required of the Government

- Is it necessary for the Government to reprioritise its policy objectives?
- How should the Government position itself regarding its roles and functions, in face of rapid changes and challenges?
- Are the concepts "Big Market, Small Government", "Big Society, Small Government", and "Big Individual, Small Government" still valid as far as governance is concerned?
- In dealing with different groups and individuals in the society, should the Government make adjustments to its relationships with them?

2. Members are welcome to suggest other topics for discussion.

Secretariat to the Commission on Strategic Development
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