

**Summary of the views expressed at  
the Fifth Meeting of the Executive Committee  
of the Commission on Strategic Development  
held on 10 August 2006**

The Chairman welcomed Members to the meeting. The Committee would focus its discussion on “Balanced and Sustainable Development on All Fronts” at this meeting.

**Matters arising from the last meeting**

2. Members had expressed views on the issue of selecting the Chief Executive and electing all Members of the Legislative Council by universal suffrage at the last meeting. The Chairman reported that the Secretariat had conveyed these views to the Committee on Governance and Political Development as agreed at the last meeting.

3. The Chairman reported that the Secretariat had summarized Members’ views on “Hong Kong's International Competitiveness” and referred them to relevant government bureaux and departments for consideration.

**Progress of Work of Other Committees of the Commission  
(Paper Ref: CSD/EC/8/2006)**

4. The Chairman said that the Paper was a regular information note which provided Members with an update on the progress of work of the other three Committees of the Commission.

5. The Chairman reported that the fifth meeting of the Committee on Governance and Political Development had been held on 28 July 2006. The Committee had started discussion on the possible models for selecting the Chief Executive by universal suffrage and the Secretariat, in collaboration with CAB, would organize workshops to facilitate Members’ further discussion on the issue.

**Balanced and Sustainable Development on All Fronts  
(Paper Ref: CSD/EC/9/2006)**

### ***General Views on Balanced and Sustainable Development***

6. Members generally agreed that Hong Kong's future long-term development should be founded on balanced and sustainable development on all fronts. There should be balanced social, economic and environmental developments.

7. Some Members were of the view that while Hong Kong should continue to strive for economic development, due consideration should be given to social development and environmental conservation.

8. Some Members opined that the government should take the lead in promoting a balanced and sustainable development. They appreciated that the government might not be able to resolve all the problems on its own. It was therefore important for all sectors of the community, including the industrial and business sectors, non-government organizations, families and individuals to share the responsibilities and to play a constructive role in addressing the problems.

9. A Member mentioned that the Council for Sustainable Development which was chaired by the Chief Secretary for Administration, served as an important platform for exchanging views on Hong Kong's long term sustainability. The Member hoped that Hong Kong could become a role model of sustainable city for other Mainland cities.

10. Some Members pointed out that we should not only confine the scope of discussion in Hong Kong as many challenges we faced straddled across the border and could not be resolved by Hong Kong independently. The improvement of air quality would be an example which illustrated the importance of the cooperation and interaction between Hong Kong and the Mainland in achieving this common goal in the long-term.

11. A Member asked if the Chairman had reached any agreement with the Guangdong authorities on the improvement of air quality when he attended "Hong Kong/Guangdong Co-operation Joint Conference" in early August 2006. The Chairman responded that Guangdong and Hong Kong had reached a consensus, on a best endeavour basis, to reduce the emissions of various major pollutants in the PRD region by 2010. Guangdong was actively implementing measures to reduce the emissions and the Chairman was confident that the target to reduce the emissions by 2010 could be achieved. As the discussion on emission trading was still

in progress, it was anticipated that more details would be available towards the end of this year.

### ***Widening of the Wealth Gap***

12. Members discussed the issue of widening of the wealth gap at length. They noted that a global trend of widening of wealth gap had emerged among developed economies including Hong Kong. Members generally agreed that the continued widening of the wealth gap was a pressing problem which might become a potential threat to social harmony.

13. Members noted the Gini Coefficient of Hong Kong. They generally shared the view that it was not a representative indicator to describe the wealth gap in Hong Kong. As developed economies usually determined Gini Coefficient on a country-basis, it would not be appropriate to use it as an indicator for Hong Kong and to compare Hong Kong's Gini Coefficient with developed countries.

14. Some Members pointed out that the education level of the people in Hong Kong was relatively low when compared with many other developed economies. Many workers with low skill and education level in Hong Kong were in the middle and old-age groups. Members were also concerned about the poverty problems among the new migrants. To alleviate poverty in the long run, some members recommended the government to focus on raising the education level of the next generation of the less privileged groups in Hong Kong. Through education, their next generation could have better opportunities to improve their living standards and move up the social ladder in the future.

15. Members generally agreed that poverty alleviation should be a priority task in dealing with the problem of the widening of the wealth gap. Members believed that people with different talents from all walks of life should be given fair opportunities to realize their capabilities. More employment opportunities should be created to help the under privileged to join the workforce and become contributors to the society.

16. Some Members considered widening of the wealth gap a natural consequence of a successful capitalistic society where the most successful investors were attracted to reside in. They were however concerned about a rather irrational and negative sentiment developing against the successful

entrepreneurs within the society. Conflicts among different social classes should be prevented.

17. A Member pointed out that there were many charitable organisations and non-government organisations (NGOs) in Hong Kong. The society should make good use of these social resources to tackle the poverty problem.

18. Members were concerned about the emergence of district-based poverty problems. A Member remarked that areas such as Yuen Long, Tin Shui Wai, Kwun Tong, Wong Tai Sin, Tung Chung and Sham Shui Po had relatively large populations of poor families. Members considered that district-based measures, such as the provision of more community facilities, and family support services could alleviate localized problems.

19. A Member recommended the Government to develop some planning and social indicators for sustainable development, such as in the areas of employment situation, social security, human and social capitals. The Member was also concerned about the problem of family disintegration as there was an increasing number of Hong Kong people crossing the border everyday for work. Many of them had their families in the Mainland but their Mainland family members could not come to Hong Kong readily.

### ***Education***

20. Some Members opined that kindergarten education, in particular language education in early childhood (between three to six years old), was especially important in building a sound foundation for the next generation to be competitive in the future.

21. A Member was concerned that the fees for kindergarten education were too high and there was no direct government subsidy for kindergartens. He was also concerned about the qualification of kindergarten teachers.

22. A Member pointed out that our public expenditure on education constituted a high percentage of total government expenditure at about 24%. On the other hand, it only amounted to 4.4% of GDP (2000-02) which was low when compared with other developed economies. It would be a matter for the society to consider whether government investment in public

education should be further increased and how these additional expenses should be financed.

### ***Retention and Attraction of Talents***

23. Members agreed that people were the most valuable assets of Hong Kong. Retention of local talents and attraction of overseas talents were critical to Hong Kong future's development. Some Members observed that there was a growing trend for Hong Kong parents to send their children abroad for education purpose. As some of these young people might not return after graduation, Members advised that the Government should consider how to attract students studying in overseas countries to come back to Hong Kong and join the local workforce after graduation.

24. Some Members were concerned about the extremely low fertility rate in Hong Kong. This was an alarming situation and would adversely affect the supply of local talents which was essential in sustaining our future development.

### ***Corporate Social and Environmental Responsibility***

25. Some Members were concerned that the increasing demand on corporate social and environmental responsibility would add burden to the operation of small and medium enterprises (SMEs). At the moment, some SMEs had already found it hard to meet various kinds of compliance requirements because of their limited resources. Some Members considered that the overhead costs in Hong Kong were not cheap when compared with other Asian and Mainland cities. Besides, SMEs had to face competition from other corporations. Members considered therefore that it might not be realistic to require SMEs to bear additional social and environmental responsibility under such a competitive environment.

26. Some Members pointed out that the business sector sometimes faced a dilemma between meeting the expectations of their customers and protecting the environment. In reality, when additional expenditure or inconvenience was involved, customers might not welcome measures even if they were more environmentally friendly. A Member used the re-organisation of bus routes as an example that passengers might not accept a reduction of the frequency of the less patronized bus routes.

27. In addition to corporations' participation in sustainable development, Members were generally of the view that it was important for the general public to be aware of their responsibilities. Civic education would be crucial in promoting the concepts of sustainable development including environmental protection at all levels and ages. While the Government should take the lead in civic education, Members agreed that the mass media should also play an important role as well.

28. Some Members suggested the Government to provide more incentives for the community to achieve sustainable development. For example, tax relief for the use of environmental friendly vehicles, tax reduction for factories with low emission rates, and legislations to facilitate the design of environmental friendly buildings.

### ***Cultural Conservation***

29. A Member urged the Government to review the policy on the protection and utilization of cultural heritage. The Member opined that the history, traditions and qualities of culture heritage were important to the sustainable development of a city. If the sites of cultural heritage were not preserved, they would deteriorate rapidly and vanish finally.

### ***Views on Other Government Policies***

30. A Member opined that Hong Kong had been relying too heavily on property development though land sale had been a major source of revenue to the Government. The Member took the view that Hong Kong should promote its local economies and preserve the characteristics and values in different districts. He cited Japan as an example of a highly developed and advanced country which still maintained its local characteristics and attractions in different areas of the country.

31. Some Members opined that the Government should take actions quickly in order to stay competitive. He remarked that Singapore was actively promoting its logistics industry and had attracted a number of protection and indemnity clubs to establish their offices in Singapore.

### ***Conclusions***

32. The Chairman concluded the meeting with the following remarks:

- (a) Members generally agreed that both the Government and various sectors of the community have the responsibility in achieving a balanced economic, social and environmental development. Government should take the lead, but all sectors of the society, including the industrial and business sectors, non-government organizations, families and individuals should also shoulder their share of responsibilities.
- (b) Members considered that Hong Kong should promote civic education and enhance public awareness on the importance of sustainable development. The government should take the lead in educating the public on this matter.
- (c) Members were equally concerned about conservation of the natural environment. Air quality had aroused concerns in the community, and the government would work closely with the Guangdong authorities to explore ways on how the Government, business and other sectors could act proactively to reduce the emissions of pollutants in the region.
- (d) Under the prevailing trend of economic globalization, and the further integration between Hong Kong and the PRD region, Members were concerned about the widening of the wealth gap. Measures should be taken to raise the education level of the next generation of low income families.
- (e) While corporations had social and environmental responsibilities, the Government should be very cautious in formulating sustainable development policies so that they would not unduly affect the operating environment of SMEs.
- (f) Human resources development was also a key factor to sustainable development. Members discussed issues including retention and attraction of talents, low fertility rate, new migrants, kindergarten education and investment in education. The government would consider these views carefully.
- (g) The Secretariat would consolidate and summarize the views expressed by Members, and would refer them to relevant bureaux and departments for consideration.

- (h) The Chairman announced that the Committee would discuss the follow-up issues arising from the Economic Summit on China's 11<sup>th</sup> Five-Year Plan at the next meeting on 5 October 2006.

33. The attendance list is attached.

Secretariat to the Commission on Strategic Development  
September 2006

策略發展委員會  
行政委員會第五次會議  
2006 年 8 月 10 日

**Fifth Meeting of the Executive Committee  
of the Commission on Strategic Development  
10 August 2006**

出席人士

**Attendance List**

主席 :

Chairman :

The Chief Executive

行政長官

官方委員 :

Official Members :

The Chief Secretary for Administration

Head, Central Policy Unit

Director, Chief Executive's Office

政務司司長

中央政策組首席顧問

行政長官辦公室主任

非官方委員 :

Non-Official Members :

Mr CHAN Cho-chak, John, G.B.S., J.P.

Prof CHAN Lai-wan, Cecilia, J.P.

Mr CHAN Wing-kee, G.B.S., J.P.

The Hon CHAN Yuen-han, J.P.

Mr CHENG Hoi-chuen, Vincent, G.B.S., J.P.

Mr CHENG Kar-shun, Henry, G.B.S.

Mr CHENG Mo-chi, Moses, G.B.S., J.P.

Dr CHENG Wai-kin, Edgar, G.B.S., J.P.

Ms CHENG Yeuk-wah, Teresa, J.P.

The Hon CHOW LIANG Shuk-ye, Selina, G.B.S., J.P.

Prof CHOW Wing-sun, Nelson, S.B.S., J.P.

Ms FANG Meng-sang, Christine, J.P.

陳祖澤先生, G.B.S., J.P.

陳麗雲教授, J.P.

陳永棋先生, G.B.S., J.P.

陳婉嫻議員, J.P.

鄭海泉先生, G.B.S., J.P.

鄭家純先生, G.B.S.

鄭慕智先生, G.B.S., J.P.

鄭維健博士, G.B.S., J.P.

鄭若驊女士, J.P.

周梁淑怡議員, G.B.S., J.P.

周永新教授, S.B.S., J.P.

方敏生女士, J.P.

Dr FUNG Kwok-king, Victor, G.B.S., J.P.  
Mr LAU Hon-chuen, Ambrose, G.B.S., J.P.  
The Hon LAU Sau-shing, Patrick, S.B.S., J.P.  
The Hon LEE Chu-ming, Martin, J.P.  
Dr LEE Peng-fei, Allen, J.P.  
Mr LI Tzar-kuoi, Victor  
The Hon TSANG Yok-sing, Jasper, G.B.S., J.P.  
Prof TSUI Lap-chee  
Mr WONG Hong-yuen, Peter, G.B.S., J.P.  
Mr WONG, Raymond R., S.B.S.  
Mr WOO Kwong-ching, Peter, G.B.S., J.P.  
Mr WU Ting-yuk, Anthony, J.P.

馮國經博士, G.B.S., J.P.  
劉漢銓先生, G.B.S., J.P.  
劉秀成議員, S.B.S., J.P.  
李柱銘議員, J.P.  
李鵬飛博士, J.P.  
李澤鉅先生  
曾鈺成議員, G.B.S., J.P.  
徐立之教授  
黃匡源先生, G.B.S., J.P.  
黃應士先生, S.B.S.  
吳光正先生, G.B.S., J.P.  
胡定旭先生, J.P.

## 列席

### In Attendance

Assistant Director of Administration (Sustainable  
Development)2, Administration Wing  
Chief Secretary for Administration's Office  
- Mrs Vicki KWOK

政務司司長辦公室行政署  
助理行政署長（持續發展）2,  
- 郭黃穎琦女士

## 因事未能出席

### Apologies

官方委員 :  
Official Members :

The Financial Secretary

財政司司長

非官方委員 :  
Non-Official Members :

Dr CHOI Yuen-wan, Philemon, S.B.S., J.P.  
Prof CHU Ching-wu, Paul, J.P.  
The Hon EU Yuet-mee, Audrey, J.P.  
Mr HE Guangbei  
The Hon LAU Chin-shek, J.P.

蔡元雲醫生, S.B.S., J.P.  
朱經武教授, J.P.  
余若薇議員, J.P.  
和廣北先生  
劉千石議員, J.P.

Prof LAU Juen-ye, Lawrence

Dr LIAO York, S.B.S., J.P.

Dr QIN Xiao

Prof WOO Chia-wei, G.B.S.

Sir WU Ying-sheung, Gordon, G.B.S.

Mr YEUNG Yiu-chung, B.B.S., J.P.

劉遵義教授

廖約克博士, S.B.S., J.P.

秦 曉博士

吳家瑋教授, G.B.S.

胡應湘爵士, G.B.S.

楊耀忠先生, B.B.S., J.P.