

Research Assessment Exercise 2020
Impact Case Study

University: City University of Hong Kong

Unit of Assessment (UoA): 25 - political science (incl. public policy & administration & international relations)

Title of case study: Governance reform and sustainability of Hong Kong, China and the Belt and Road Initiative

(1) Summary of the impact

Professor Linda Li's research employing a non-zero-sum perspective on power relations and constructive approach to policy-making has contributed to an ongoing reflection of the state of central–local relations and governance in HK and mainland China. She has received various advisory appointments with the Chinese and HKSAR governments and engaged in close communication with officials and stakeholders at national and local levels. Li's work has influenced administrative reforms in Guangdong and fostered an enhanced appreciation of Hong Kong's role in the Belt-Road Initiative in Mainland and HK policy circles, including the vision for the Guangdong-Hong Kong-Macau Greater Bay Area.

(2) Underpinning research

Li is an authority on central–local relations and government reforms in China. Subsequent to her early work *Centre and Provinces in China* (1998/2002), where she formulated an alternative analytical framework to make sense of the complex power dynamics in China's large, authoritarian governance system, Li developed the concept of 'co-agency' to highlight the autonomy of the local and central government actors and explain the dynamic co-existence of conflict and collaboration between central and local governments in contemporary China. The conventional approach conceives of power as a zero-sum game in which change is almost solely contingent on the goodwill of the winner or unpredictable exogenous developments. Li's work on the other hand opens up a pathway to better situate the roles of central and local innovation in past reform trajectories and contemplate how to further improve governance in the future [R1]. This work and a subsequent monograph *The Rural Tax Reform in China* (2012) [R2] illustrate how desirable institutional changes can be fostered through the interactions of parallel actions of stakeholders. Building on extensive fieldwork on the subject of rural public finance and local government reforms, Li details in *The Rural Tax Reform in China* the strategic interactions across state tiers, the dynamics between shifting objectives and unintended consequences, and the resultant changes at the behavioural, policy and institutional levels. A related body of Li's work focuses on government reforms in Guangdong Province, which has been a hub for innovative pilot reforms since the early 1990s. In these studies Li highlighted the role of the proactive agency of local actors, the impacts of previous developments on the present (path dependence) and the importance of external interventions at critical junctures for path creation (e.g. resources from senior provincial leaders and the experiences and insights drawing from Hong Kong) [R3].

Li continued her inquiry into actors' dynamic interactions and the constitutive relations of structure and agency in her recent work on Hong Kong [R4, 5, 6]. In a public policy research on Sustainability and Social Mobility in Accounting Profession, she explored current challenges resulting from decades of growth. This research combined academic analysis with action research methods to maximise impact on agency reflection and behavioural change of stakeholders. The diverse views of sector stakeholders were set against the backdrop of the changing operating environments of the profession: technology, business opportunities and

socio-political considerations [R4]. This line of research has been further developed under the Research Centre for Sustainable Hong Kong, which Li leads, and the ongoing SPPR project on the role of Hong Kong professional services in the Belt-Road Initiative for enhanced sustainability [R5]. More recently, in an influential article on political identity and Hong Kong–Mainland relations, Li refuted the dominant zero-sum view current in policy circles, which attributes the weakening national identity to rising localism, and illustrated with careful trend data analysis that a non-zero-sum, interactive framework should better benefit the reality. The new perspectives that she puts forward open up new policy options and opportunities [R6].

(3) References to the research

[R1] ‘Central-Local Relations in the People’s Republic of China: Trends, Processes, and Impacts for Policy Implementation’, *Public Administration and Development*, 30, 3 (August 2010), 177-190.

[R2] *Rural Tax Reform in China: Policy Process and Institutional Change*. London: Routledge, 2012 (hb), 2015 (pb).

[R3] Linda Li, Yue Jinglun, Yue Fangmin and Liang Yuqing (ed), *Administrative Reform in China–Guangdong–Hong Kong Exploration and Inspiration*, Guangzhou: Sun Yat-sen University Press, 2014.

[R4] *Sustainability and Social Mobility in Professional Services: A Case Study of Accounting Profession in Hong Kong*, Final Report. Public Policy Research (PPR) Funding Scheme, Central Policy Unit, HKSARG, 2015-16. [The highlights of the Report findings have been developed in a book in Chinese language to enhance dissemination and impact: *Transcending the Bottlenecks: The Hong Kong Accountancy Profession*, eds, with Phyllis Mo, Ho Mun Chan, Iris Kam, City University of Hong Kong Press, 2017].

[R5] Major research grants totalling \$6,072,002. In particular, Strategic Public Policy Research (SPPR) research project, ‘Hong Kong Professional Services in the Co-evolving Belt-Road Initiative: Innovative Agency for Sustainable Development’, awarded in 2017, [REDACTED]

[R6] ‘The Identity Shift in Hong Kong since 1997: Measurement and Explanation’, (with H. Christoph Steinhardt and Yihong Jiang), *Journal of Contemporary China*, March 2018.

(4) Details of the impact

Li’s work [R1] attracted the attention of Guangdong officials keen on administrative reforms. Several delegations visited Hong Kong in 2011-12. Li provided analysis in designated workshops and facilitated meetings with HKSARG authorities to improve the reform design and execution process of the administrative streamlining reform in Guangdong. Many features of the Guangdong reform were subsequently incorporated in the national reform agenda on administrative reform since 2013. The 2014 book *Administrative Reform in China: Guangdong–Hong Kong Exploration and Inspiration* documents this research process and key findings [R3]. Li encouraged the development of consultative institutions to improve the quality of policies and was one of the few non-Mainland members on the pioneering advisory committees in Guangdong [C1].

Informed by R4, in 2017, Li led a multi-disciplinary research team and was awarded, after an extremely competitive process with external academic peer review, a CPU- (now PICO) funded Strategic Public Policy Research (SPPR) project ‘Hong Kong Professional Services in the Co-evolving Belt-Road Initiative: Innovative Agency for Sustainable Development’ [R5]. The research contributed to a more enlightened view of Hong Kong’s strategic role in B&R and

national development in the national and HK policy circles, and highlighted Hong Kong's role in 'soft power' and the importance of the pluralistic governance approach to the vision of B&R. In an influential 2017 policy paper, Li pioneered the conceptualisation of the Greater Bay Area (GBA) as a mechanism of reform rather than merely a venue of economic development. This view takes the institutional pluralism between the different jurisdictions of the GBA as a unique asset rather than a liability [C2]. This core idea is incorporated into the GBA Development Outline Plan released by the central government in February 2019. Li has also further elaborated her ideas in a recently published paper ('Unpacking the Plan' published in China and The World, June 2019).

HKSARG [REDACTED] wrote in an email that '[Li's] ongoing focus on the Belt and Road Initiative and Bay Area is particularly pertinent. I am sure that CSHK's research findings and analysis will lend us good food for thought as Hong Kong charts its way forward on both crucially important initiatives' (2017.08.12) [C3]. Former director of the [REDACTED]

[REDACTED], a key actor in the national policy circle on B&R, has remarked, '[Li's] research on the role of Hong Kong in GBA and BRI has been a major source of reference in our work, in particular (her) recommendations on arbitration and legal infrastructure, financial policy, social governance and soft power developments' (2019.01.03) [C4]. Li shared her vision for the GBA to national and regional officials at the 2019 Southern Reform Forum in Guangzhou, organised by the leading national reform think tank China Economic System Reform Research Association (2019.01). At the invitation of the HKSARG, Li suggested how Hong Kong could prepare its inputs to the 14th national Five-Year Plan (2021-2025) (2018.08.17) [C5].

The Sustainable Hong Kong Research Hub and the Research Centre for Sustainable Hong Kong (CSHK), of which Li is director, have connected a network of over 2,000 professionals in Hong Kong, the Mainland and overseas to facilitate cross-sectoral collaborations. Examples include the Hong Kong Green Finance Association, the Hong Kong General Chamber of Commerce and The Taxation Institute of Hong Kong. Strategic collaboration relationships were developed with national and regional reform actors, including the International Cooperation Center of the National Reform and Development Commission and China Renmin University, the Guangdong Province Integrated Reform and Development Research Institute and The Special Economic Zone Research Center of Shenzhen University [C6]. A widely reported survey of global accounting professionals' views on B&R was conducted in 2018 in collaboration with the Society of Chinese Accountants and Auditors. Its findings reached HK senior government circle, including the CE and FS, and Beijing. [REDACTED] wrote, 'I find the survey analysis and related studies of CSHK, led by (Li), most enlightening to our understanding of the opportunities and challenges in relation to the B&R. ...your work has been instrumental to our formulation of a framework to engage further with our members and the relevant government authorities to develop appropriate policy support and follow-up actions' [C7]. In a letter of June 2019 to Li indicating its support to a new research project plan, [REDACTED] wrote, 'HKGCC and CSHK have worked closely in projects ... most notably (on) the Belt and Road Initiative and the Greater Bay Area... Our successful cross-sectoral collaboration enables both of us to acquire a greater understanding of the policies and practices of the Belt and Road Initiative ...' [C8].

Li's work has shaped public awareness of B&R and strengthened the rational consideration of policy options. In CSHK feedback surveys [C9], 99% of the surveyed participants said they were 'satisfied or very satisfied' with CSHK seminars in extending their understanding of the subjects involved. [REDACTED], an American worldwide management consulting firm, sought advice on its analysis of the HK accounting profession after reading Li's work [C10]. Li's extensive media presence in international, regional and local media including BBC, CNBC and CNA is indicative of her impact on the public discourse on Chinese and Hong Kong governance, policy and B&R. She was recently invited twice to contribute a 'Letter to Hong

Kong' to the elite commentary RTHK programme:
<http://app3.rthk.hk/special/pau/article.php?aid=3427>. |

(5) Sources to corroborate the impact

[C1] Appointments to Nansha New District Society Innovation Consultation Committee, Guangzhou (2015.11) and Advisory Committee for Policy Decision of Shunde District Government, Guangdong Province (2013-15; 2016-19).

[C2] Linda Chelan Li and Kin On Li, Thoughts on national strategic role of Guangdong-Hong Kong-Macau Greater Bay Area: Leveraging on 'One Country, Two Systems' in Hong Kong, envisioning advantages of soft power capacity of the Bay Area, CSHK Policy Paper No. 2, July 2017 (available in Chinese and English). This paper has been incorporated into the website of the Hong Kong Trade Development Council at the latter's invitation (email 2018.06.08).

[C3] Email from [REDACTED] HKSARG) (2017.08.12); Press release of speech by Paul Chan (Financial Secretary, HKSARG) at CSHK inaugural seminar: <http://www.info.gov.hk/gia/general/201710/31/P2017103100347.htm>.

[C4] Letter from [REDACTED]

[REDACTED] (2019.01.01).

[C5] Linda Chelan Li, 香港城市大學香港持續發展研究中心關於《中華人民共和國國民經濟和社會發展第十四個五年規劃綱要》香港特別行政區的功能定位的意見書. The Submission (sent 2018.09.30); invitation from Secretary for Constitutional and Mainland Affairs, HKSARG (2018.08.17).

[C6] MOUs on strategic collaboration signed with Renmin University, Guangdong Province Integrated Reform and Development Research Institute and Special Economic Zone Research Center of Shenzhen University (2017.03, 2017.06, 2017.10).

[C7] Letter [REDACTED] to Li (2018.05.10).

[C8] Letters from HKGCC (2019.06.26) and HKCGCC (2019.07.17) indicating their appreciation and support to Li's work.

[C9] Data from feedback surveys on CSHK seminars.

[C10] Email from [REDACTED] (2018.01.23) indicating their learning from Li. |